



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2025

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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDING JUNE 30, 2025**

**PREPARED BY THE CITY OF SANTEE FINANCE DEPARTMENT  
10601 MAGNOLIA AVENUE ■ SANTEE, CA ■ 92071  
[WWW.CITYOFSANTEECA.GOV](http://WWW.CITYOFSANTEECA.GOV)**

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# **INTRODUCTORY SECTION**



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

December 22, 2025

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

We are pleased to submit to you the Annual Comprehensive Financial Report of the City of Santee, California ("City") for the fiscal year ended June 30, 2025. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants.

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

The City's financial statements have been audited by Rogers, Anderson, Malody & Scott LLP, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

### **Profile of the City**

The City of Santee is located eighteen miles east of downtown San Diego and is nestled in the rolling hills of the San Diego River valley. The river forms a linear greenbelt containing parks, trails and more than 1,100 acres of tree-lined riparian habitat. The City's picturesque setting is further enhanced by Mission Trails Regional Park, an 8,000-acre open space reserve that offers a permanent mountain view at Santee's western flank. The City occupies a land area of approximately 17 square miles and is a dynamic community of 60,000 residents. Santee's calendar year 2024 median household income of \$110,956 was the highest of the four east San Diego County cities. Santee is described as having family-based neighborhoods, a strong sense of community, award winning schools and parks, and one of the lowest crime rates in the region.

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

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

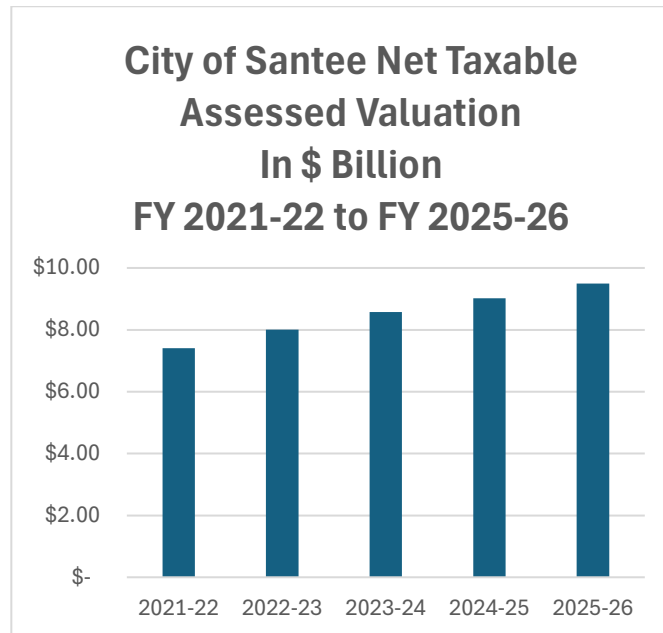
The City is financially accountable for the Santee Public Financing Authority, a legally separate entity, which is reported within the City's financial statements. Additional information regarding the Santee Public Financing Authority can be found in Note 1A in the Notes to the Basic Financial Statements.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

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

## **Local Economy**

Santee enjoys a strong and well-diversified tax base with the highest median household income of all east San Diego County cities and the 7<sup>th</sup> highest of all cities in the county as of calendar year 2024. Santee's unemployment rate annualized 4.1% as of calendar year 2024 is lower than the state and countywide unemployment rates and is the 6<sup>th</sup> lowest in the county. Santee has a five-mile radius market area that includes a population of over 280,000. Santee has 192 national chain retailers and restaurants, with 36 national chains having been added in the last five years.

The City's primary General Fund revenue sources are property taxes and sales tax, which combined provide 71.2% of the General Fund revenues. Continued consistency in the housing market over the past several years, along with new residential and commercial construction activity contributed to a 5.2% increase in net taxable assessed valuation in fiscal year 2024-25 and a 5.5% increase in net taxable assessed valuation for the fiscal year 2025-26 tax roll. Santee is ranked 13<sup>th</sup> in the county in FY 2024-25 and 8<sup>th</sup> in the county in FY 2025-26 for net taxable assessed valuation increases. Santee experienced a 0.7% decrease in sales tax revenue in FY 2024-25. Overall, General Fund revenues were 1.2% higher in FY 2024-25 than in the prior fiscal year.



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

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

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

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

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

### **Long Term Financial Planning**

The City utilizes a five-year financial projection which is updated throughout the year as conditions change. The purpose of this plan is to provide a longer-range view of the impact of budgetary decisions and economic conditions affecting the City. The City Council has adopted a General Fund Reserve Policy which states that a minimum reserve of 22% of annual General Fund operating expenditures be maintained as a contingency for economic uncertainties. The five-year financial projection reflects the City's continued compliance with this policy, though challenges continue to be presented from ongoing increases in employee retirement costs as discussed below, contract law enforcement services costs, and needed updates to infrastructure. In addition to directly addressing these impacts, management actively works with the City Council to identify and develop strategies that contain the growth in expenditures, enhance existing revenue sources and identify new revenue sources.

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

The City offers continuation of medical coverage to retiring employees prior to age 65 at the employee's expense. The City also contributes a portion of medical premiums for qualifying retirees. Currently, only members of the closed Fire Association and Executive Management groups qualify for these premium contributions. In May 2018 the City Council approved the establishment of a trust for the prepayment of other post-employment benefits (OPEBs). Since that time the City has made a series of payments into the trust and while market conditions influence its funded ratio, it is approaching full funding.

The City Council adopts a five-year Capital Improvement Program (CIP) which serves as a planning tool for identifying the infrastructure and other capital needs of the community, and to coordinate the financing and scheduling of projects. Within the five-year CIP, only the first two years are funded. The CIP is important to ensure that limited resources are allocated in a prudent manner, that under-funded projects are identified in order to develop financial strategies for the future and that necessary investments continue to be made in infrastructure to protect the long-term fiscal health of the City. On June 11, 2025 the CIP for fiscal years 2026 through 2030 was adopted which includes a total of \$460.6 million in projects for which \$127.7 million in funding has been identified. The CIP is revised periodically in response to continually evolving needs, priorities and financial conditions.

### **Major Initiatives**

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

- In April 2017 the City closed escrow on a 6.7-acre parcel of County-owned land adjacent to Santee Trolley Square for the future development of a public facility on this site.



- In September 2019 the City entered into an exclusive negotiations agreement to negotiate the terms of a disposition and development agreement for the future construction of a hotel. The project is moving forward with the review of the first submittal of grading plans in October 2023.
- In December 2019 the City Council established an Arts and Entertainment Overlay District in Town Center which is intended to promote a concentration of arts, cultural and entertainment-oriented uses within the Town Center area. In December 2021 the City Council awarded a contract with a planning and environmental consultant to amend portions of the City's General Plan and the Town Center Specific Plan in order to expand the Arts and Entertainment Overlay District, create a vision for the future of the Town Center, updated goals and policies to ensure flexible implementation and provide conceptual plans and environmental analysis for future development. Proposed project buildout assumptions were presented to the City Council in September 2023 followed by a City Council workshop in November 2023. The draft Specific Plan and Environmental Impact Report went out for public review in 2024 and the updated draft Specific Plan and Environmental Impact Report was presented to the City Council and adopted in March 2025.

In July 2018 the City Council authorized the establishment of the Highway 52 Coalition ("Coalition"). The Coalition is comprised of local and regional business interests, citizens and public agencies focused on educating local, state and federal lawmakers and officials regarding funding needed to improve Highway 52 and the surrounding transportation corridors. The adverse impacts of traffic congestion on Highway 52 accentuate the need for accelerating planned improvements to this vital mobility corridor. Improvement to Highway 52 are estimated to cost approximately \$98.0 million. The City and Coalition have been successful in obtaining local funding commitments in order to assist in the City's ongoing efforts to obtain much needed federal grant funding for this regionally significant project.

On September 18, 2019 the City Council approved a 122-room Woodspring Suites Hotel. The City held a groundbreaking ceremony on September 15, 2023. Construction on the hotel is concluding and the hotel is expected to open in December 2025.

On June 11, 2025, the City Council took various actions to approve the Fanita Ranch Planned Development including certifying the Final Recirculated Revised Environmental Impact Report including Second Recirculated Sections and approving the Fanita Ranch Development Plan, Development Review Permit, Vesting Tentative Map, and Conditional Use Permits for public parks and a fire station.

The maintenance, repair and rehabilitation of City streets continues to be a priority for the City Council. The adopted Capital Improvement Program budget allocates more than \$4.9 million to improve the condition of City streets in just fiscal year 2025-26, and an additional \$2.4 million allocated for fiscal year 2026-27. Going forward, as available resources are identified, funding allocations to improve the condition of City streets will likely be increased.

In August of 2022, the City Council enacted Ordinance 602, the Cannabis Business Permit Ordinance of the City of Santee. Ordinance 602 permits the issuance of cannabis business permits for up to four retailers, including microbusinesses with storefront retail activities. Ordinance 602 also permits the issuance of cannabis business permits, with no limit on the number, for manufacturing, testing laboratories or microbusinesses that do not include storefront retail. On November 9, 2022 City Council directed staff to develop an application and selection process for the four retail cannabis business permits. On January 24, 2024, City Council directed staff to amend portions of the Cannabis Business Permit Ordinance to allow cannabis manufacturing as a stand-alone use and to prohibit the manufacturing of volatile materials. A strikeout and underlined version of the proposed text, which indicated the changes to the ordinance was reviewed by City Council on February 28, 2024 and adopted on March 13, 2024. On March 27, 2024 the City Council approved the cannabis business permit retail application procedures

which outlined a four phase merit-based approach, fees for retail applications and an appeal process. The four phase merit-based approach included Phase I Determination of Eligibility, Phase II Application Evaluation and Review, Phase III Interviews, and finally, Phase IV City Council Interviews and Final Decisions. The application period for retail cannabis business permits ran from September 10 to October 24, 2024. The City received 16 applications. In July of 2025, the City Council selected the four retail businesses to be awarded the cannabis business permits. These businesses are currently working with staff to obtain all necessary building permits and business licenses to prepare their properties. These businesses are expected to open within the next year.

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

In March 2023, the City commissioned AP Triton Consulting to prepare a Standards of Study analyzing several components of the City's Fire Department. One of the items highlighted in the study was the Fire Department's delayed response times to the southerly and northerly areas of the city. In order to alleviate this deficit, the Fire Department needed two additional fire stations. On December 29, 2023 a Request For Proposal (RFP) was issued to build a temporary fire station. The fire station is temporary in nature until a permanent structure can be built. On June 12, 2024 a design build construction contract was awarded. The temporary fire station, Station 20, was completed and started serving the community in October 2025. The location of Station 20 is at the city's Operations Yard. It is expected that once funds are available to build a permanent fire station, it will replace the temporary station at the current location.

The Santee Community Center was first identified as a project in the FY 2006-2010 Capital Improvement Program and various strategic planning documents. The City has spent years accumulating specific development impact fees for its construction. The design phase, which began with a contract award in October 2021, is now complete. City staff presented the construction contract to City Council on December 10, 2025. Construction is expected to be completed by September 2027 and the Community Center is expected to be open to the public in October 2027. This project will construct a 12,500 square-foot community center featuring dedicated spaces for events, including multi-purpose rooms, outdoor decks and patios, and administrative offices.

The City has welcomed the addition of Trader Joe's, ULTA Beauty, Popeye's, the Stand, and Sedano Chevrolet, along with many other new businesses to the City of Santee. Sedano Chevrolet is the City's first new car dealership.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santee for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 21<sup>st</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Wendy Kaserman  
City Manager



Heather Jennings  
Director of Finance/Treasurer

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Santee  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



## CITY COUNCIL

John W. Minto ..... Mayor

Rob McNelis ..... Vice Mayor

Ronn Hall ..... Council Member, District 2

Laura Koval..... Council Member, District 3

Dustin Trotter ..... Council Member, District 4

## EXECUTIVE MANAGEMENT TEAM

Gary Halbert ..... Interim City Manager

Shawn Hagerty..... City Attorney

James Jeffries ..... City Clerk

Rida Freeman ..... Director of Human Resources & Risk Management

Heather Jennings ..... Director of Finance

Carl Schmitz ..... Director of Engineering

Sandi Sawa ..... Director of Planning & Building

Nicolas Chavez ..... Director of Community Services

Harley Wallace..... Interim Director of Fire & Life Safety

Pamela A. White..... Economic Development Manager

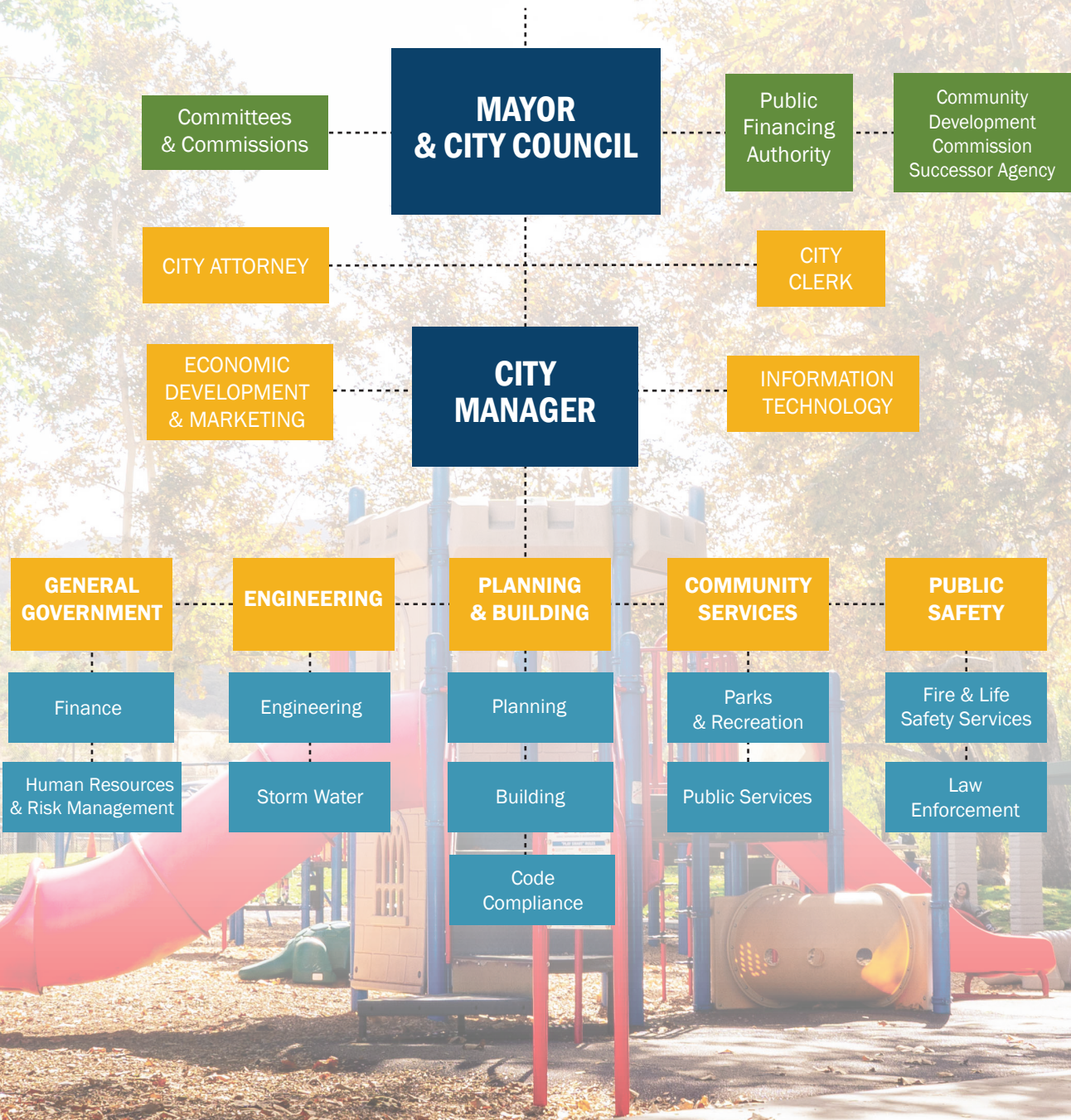
Aldo Hernandez ..... Sheriff Captain





*City of Santee*  
**ORGANIZATIONAL CHART**

**THE CITIZENS OF**

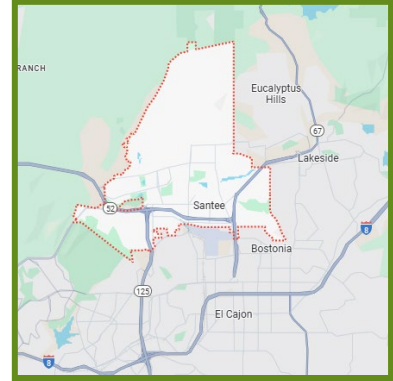
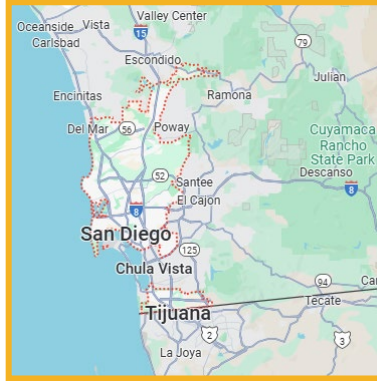
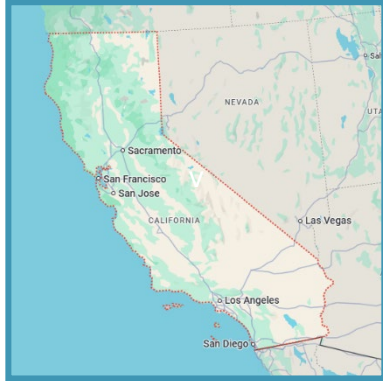




## *City of Santee*

### **LOCATION MAP**

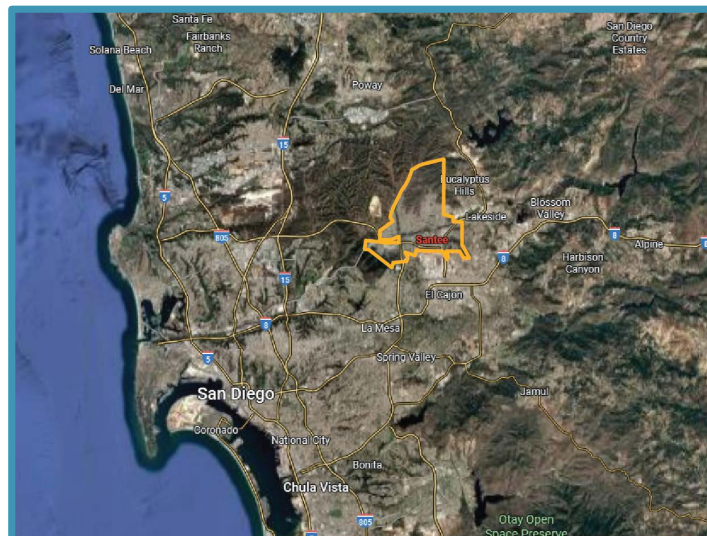
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Santee is ideally located between the Pacific Ocean and the mountains of the Cleveland National Forest. While Santee is considered part of the East County Region, the city is only 18 freeway miles from the San Diego's premier beaches. Santee is connected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

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

Surrounded on three sides by chaparral-covered hills, the city is bisected by the San Diego River. The river forms a linear greenbelt containing parks, trails and more than 1,100 acres of tree-lined riparian habitat. The City's picturesque setting is further enhanced by Mission Trails Regional Park, an 8,000-acre open space reserve that offers a permanent mountain view of Santee's western flank.



# FINANCIAL SECTION

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## *Independent Auditor's Report*

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Santee, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Prior-Year Comparative Information***

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2024, from which such summarized information was derived.

#### ***Emphasis of Matter***

As described in Note 1 to the financial statements during the year ended June 30, 2025, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). 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 December 16, 2025 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
December 16, 2025

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Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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As management of the City of Santee ("City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$199.9 million (*net position*).
- The City's total net position for the fiscal year, increased by \$2.6 million. General revenues experienced a \$1.4 million increase from the prior fiscal year. In addition, the net pension liability and related deferred inflows and outflows of resources increased by \$516 thousand and the net investment in capital assets decreased by \$527 thousand.
- At June 30, 2025, the City's governmental funds reported combined fund balances of \$73 million, an increase of \$3.7 million during the fiscal year. Approximately \$20.0 million or 27.4% of this amount is available for spending at the City's discretion (*unassigned fund balance*).

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-wide Financial Statements

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

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

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

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

For the Fiscal Year Ended June 30, 2025

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

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

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

### **Fund Financial Statements**

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

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

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

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

**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2025

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

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

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

The City maintains two types of fiduciary funds – the Private Purpose Trust Fund and the Custodial Fund. The *Private Purpose Trust Fund* is used to report resources held in trust for the Santee Community Development Commission Successor Agency to wind down the affairs of the former Santee Community Development Commission and to satisfy related enforceable obligations. The *Custodial Fund* is used to report transactions related to the debt service and administration of CFD 2017-1. The Custodial fund also reports transactions related to the Santee-Lakeside Emergency Medical Services Authority. The City serves as the Administrative Services Provider and provides accounting and budgetary assistance.

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

**Notes to the Financial Statements**

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

**Other Information**

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

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

**Management's Discussion and Analysis**

For the Fiscal Year Ended June 30, 2025

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS**

As noted earlier, net position may serve over time, as a useful indicator of the City's financial position. At June 30, 2025, assets and deferred outflows exceeded liabilities and deferred inflows by \$199.9 million, an increase of \$2.6 million from the amount reported at June 30, 2024.

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
Current and other assets	\$ 85,752,636	\$ 82,815,382
Capital assets	179,936,760	181,400,492
Total assets	265,689,396	264,215,874
Deferred outflows of resources	18,679,046	23,845,652
Noncurrent liabilities	67,529,729	69,369,600
Other liabilities	11,944,269	12,829,056
Total liabilities	79,473,998	82,198,656
Deferred inflows of resources	4,987,318	8,569,231
Net position:		
Net investment in capital assets	172,987,358	173,514,638
Restricted	49,253,475	48,716,653
Unrestricted	(22,333,707)	(24,937,652)
Total net position	\$ 199,907,126	\$ 197,293,639

The largest portion of the City's net position, \$173.0 million, reflects the investment in capital assets, less any related debt outstanding that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$49.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a deficit of \$22.3 million, reflects the net impact of the recognition of the City's net pension and OPEB liabilities (and related deferred outflows and inflows of resources) which reduce the City's net position by \$43.1 million at June 30, 2025.



**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2025

**Governmental Activities**

Net position increased by \$2.6 million during the fiscal year as a result of the City's governmental activities. Key elements of this increase are as follows:

**City of Santee**  
**Summary of Net Position**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 15,012,399	\$ 18,258,187
Operating grants and contributions	7,679,787	10,033,702
Capital grants and contributions	4,818,152	9,804,092
General revenues:		
Taxes:		
Property taxes	26,753,631	25,206,404
Sales tax	19,647,891	19,800,193
Franchise taxes	4,063,946	4,176,119
Other taxes	1,073,074	1,057,794
Motor vehicle in lieu, unrestricted	94,057	73,298
Investment income	1,613,073	1,556,084
Miscellaneous	203,734	227,995
Total revenues	<u>80,959,744</u>	<u>90,193,868</u>
<b>Expenses:</b>		
General government	13,027,772	12,791,908
Public safety	39,905,831	42,981,484
Public works	21,083,515	24,490,090
Community development	123,202	305,727
Parks and recreation	3,992,038	3,193,885
Interest and fiscal charges	213,899	226,887
Total expenses	<u>78,346,257</u>	<u>83,989,981</u>
Change in net position	2,613,487	6,203,887
Net position, beginning of year	<u>197,293,639</u>	<u>191,089,752</u>
Net position, end of year	<u>\$ 199,907,126</u>	<u>\$ 197,293,639</u>

**Management's Discussion and Analysis**

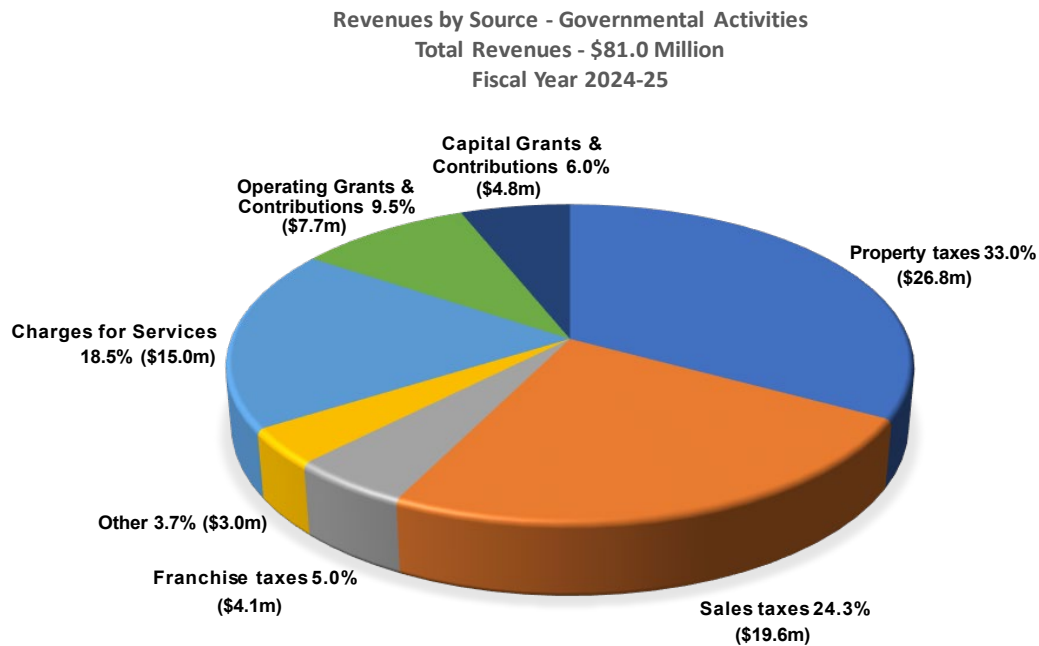
For the Fiscal Year Ended June 30, 2025

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Statement of Activities - Revenues

- Charges for services decreased by \$3.2 million from the prior fiscal year. This decrease is primarily due to a change in the reimbursement process for the Emergency Medical Services (EMS) department expenses. The amount of this decrease was \$4.9 million. Funds are now transferred to the General Fund from the EMS fund to reimburse costs associated with running the EMS program in the General Fund. In the prior year, reimbursement funds were received as revenue. Conversely, this category also has increases in revenue due to the new Cannabis Application Fee, \$417 thousand, increased revenue generated through the ambulance program, \$848 thousand, and general government activity, \$193 thousand.
- Operating grants and contributions decreased by \$2.4 million from the prior fiscal year. This is primarily due to decreased grant revenue including American Rescue Plan Act (ARPA) and state-funded grant revenue. Partially offsetting this decrease is \$385 thousand in local grant revenue that was used to purchase a vehicle for the Fire Department, and Community Development Block Grant (CDBG) revenue increased by \$262 thousand, primarily due to the timing of when funds were received during the current year.
- Capital Grants and Contributions decreased by \$5.0 million due to a decrease in Developer Impact Fees received during the fiscal year. Development Impact Fees include Public Facilities, Traffic Signal, Traffic Mitigation, Drainage, Park in Lieu, and Regional Transportation Congestion Improvement Plan.
- Property tax, the City's largest revenue source, increased by \$1.5 million or 5.8%. This is due to increases in residential and new construction real estate values and prior year transfers of ownership.
- Sales tax, the City's second largest revenue source, decreased by \$152 thousand or 0.8% from the prior fiscal year. The City's sales tax revenue experienced several payment corrections and saw decreases in many categories including general consumer goods, sales tax from gasoline sales, and a dip in the County pool.
- Franchise taxes decreased by \$112 thousand due to a prior year one-time increase in the City's gas and electricity provider. Also, telecommunication franchise revenue continues to decline due to less demand for these providers.
- Motor vehicle in lieu taxes and investment income both saw slight increases. And miscellaneous revenue saw a slight decrease.

**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2025



**Statement of Activities - Expenditures**

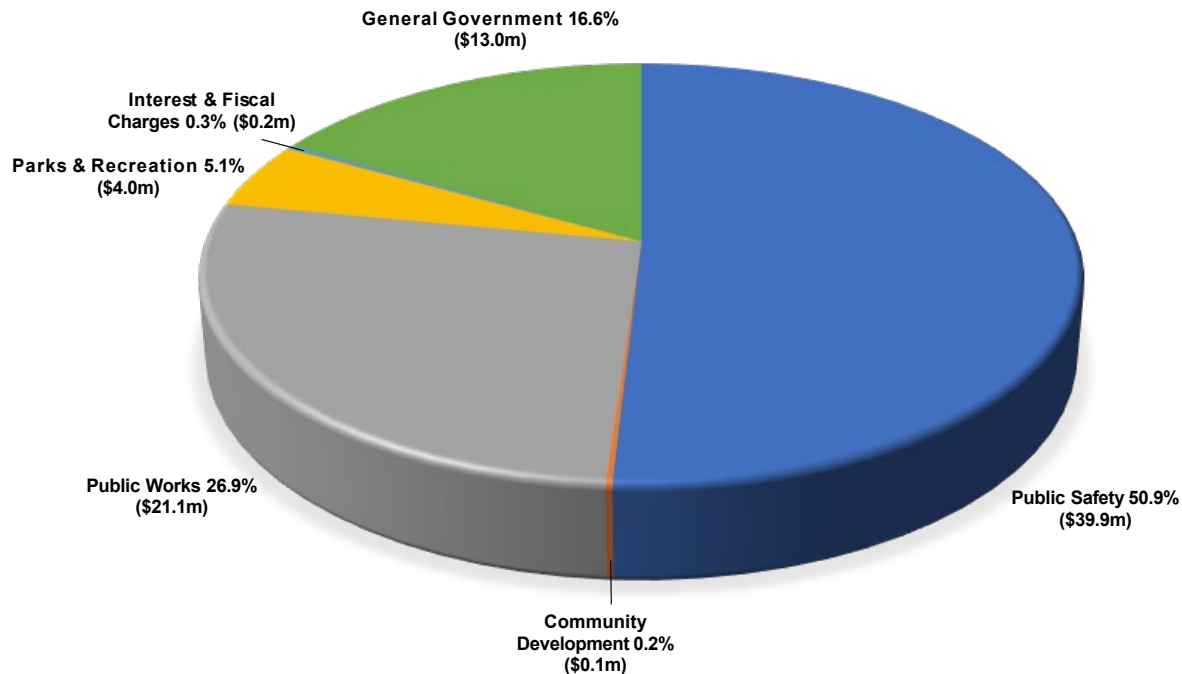
- General governmental expense increased by \$236 thousand from the prior year. This is primarily due to an increase in salary and benefit costs and the cost of goods and services.
- Public safety expenses decreased by \$3.1 million from the prior year. This decrease is primarily due to a change in the reimbursement process for the Emergency Medical Services (EMS) department expenses. Funds are now transferred to the General Fund from the EMS fund to reimburse costs associated with running the EMS program in the General Fund. Other changes in this category include increased cost of the San Diego Sheriff contract and increases to salary and benefit costs and the cost of goods and services.
- Public works expenses decreased by \$3.4 million from the prior year. The majority of the decrease is related to reduced capital project spending of \$2.6 million and a decrease in grant supported expenditures, \$343 thousand. Offsetting this decrease are also increases in salaries and benefits and the cost of goods and services.
- Community development expenses decreased by \$182 thousand from the prior year. This was a result of federally funded grant supported expenditures in the prior year.
- Parks and recreation expenses increased by \$798 thousand from the prior year. Included in this increase is an amount related to capital project expenses, \$483 thousand, and increases in salaries and benefits and the cost of goods and services.

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

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Expenses by Source - Governmental Activities  
Total Expenses - \$78.3 Million  
Fiscal Year 2024-25



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

At June 30, 2025, the City's governmental funds reported combined fund balances of \$73.1 million, this represents an increase of \$3.7 million during the fiscal year. Approximately 27.4% of this amount (\$20.0 million) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) not in spendable form (\$1.6 million), 2) restricted for particular purposes (\$47.6 million), 3) committed for particular purposes (\$3.6 million), or 4) assigned for particular purposes (\$258 thousand).

**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2025

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The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20.1 million, while the total fund balance was \$24.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 31.7% of total General Fund expenditures for the year, while total fund balance represents approximately 38.8% of the total General Fund expenditures for the year.

The General Fund balance increased by \$4.8 million during the past fiscal year. General Fund revenues were \$3.1 million more than in the previous fiscal year. Property tax revenue increased by \$1.2 million, sales tax revenue decreased by \$152 thousand, and other taxes decreased by \$97 thousand from the prior fiscal year. Intergovernmental revenues increased by \$85 thousand due to a state grant that assisted in the purchase of a Type 2 Fire Engine for the Fire Department. Charges for Services decreased by \$4.7 million due to a change in the reimbursement process for the Emergency Medical Services (EMS) department expenses. Investment earnings increased by \$74 thousand due to more cash available to invest. And other revenue increased by \$419 thousand due to rebates from health insurance provider and insurance proceeds.

General Fund expenditures were \$4.8 million more than in the previous fiscal year. This increase is due to several factors including an \$848 thousand increase in CalPERS retirement costs, a \$630 thousand increase in contract law enforcement services costs, the addition of seven new employees (including six new EMTs for a one-year staffing change-model study), increases in landscape and other public works contracts, legal services, insurance cost, and the location payment agreement. In addition, the City purchased a Type 2 Fire Engine and a new ambulance, and general salaries increased by 4.0% citywide along with specific market adjustments for the Santee Firefighters' Association members.

The Capital Projects Fund, a major fund, had a \$2.9 million decrease in fund balance during the fiscal year due to an increase of expenditures over revenues and transfers. In the prior year, there was a large influx of funding to the Capital Projects Fund. In the current year, project spending has continued, while the amount of revenue and transfers to the fund has decreased. The fund's total fund balance is \$12.1 million, all of which is legally restricted for various capital improvement projects. Capital Projects Fund expenditures totaled \$8.6 million, an \$879 thousand decrease from the prior fiscal year. This decrease is a result of the scheduling and timing of projects.

The Public Facilities Fund, a major fund, is funded by development impact fees and receives revenue based on new development within the City. Funding is restricted for specific capital projects. In fiscal year 2024-25 the fund had zero expenditures. Funding is currently accumulating for the construction of the Santee Community Center. Construction on the project is expected to begin in Spring 2026. During the fiscal year, the fund collected \$543 thousand in development impact fees.

**Management's Discussion and Analysis**

For the Fiscal Year Ended June 30, 2025

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The Non-major Governmental Funds balance increased by a combined \$2.6 million during the year, bringing the Non-major Governmental Funds total fund balance to \$24.1 million, all of which is legally restricted for various purposes. The primary reason for this increase in fund balances of the non-major classification is less activity in development impact fee funded capital projects. This difference represents \$2.2 million less in expenditures leaving more unspent funds compared to the prior year. In addition, the EMS Fund received \$754 thousand more in revenue than it did in the prior year. Funding for the EMS Fund consists of ambulance billing, property tax, a special assessment tax, and investment earnings.

**General Fund Budgetary Highlights**

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

General Fund appropriations were increased by \$3.2 million from the originally adopted budget. Supplemental appropriations approved during the year include prior year encumbrances and appropriations that were carried forward and funded from the prior fiscal year's budget. In addition, appropriation adjustments were made for vehicle purchases, transfers to support capital improvement projects, and other incidental adjustments.

Actual General Fund revenues were \$1.7 million more than budgeted. Property Tax revenue was \$159,497 higher than budgeted. Sales tax revenue was \$244,641 higher than budgeted, Other taxes were \$149,109 higher than budget, Intergovernmental revenue was \$442,041 more than budgeted, investment earnings were \$604,004 more than budgeted, and other revenue was \$157,097 over budget. Various other revenue categories experienced minor variances.

Actual General Fund expenditures were \$3.5 million less than budgeted. City Clerk expenditures were less than budgeted due to an unfilled position. Information Technology costs were \$229 thousand less than budgeted due to salary savings and realized savings in the PC replacement project. Finance Department expenditures were \$205 thousand less than budgeted due to personnel savings and consulting services budgeted but not completed. The consulting services budget will be carried over to the next fiscal year. Human Resources and Risk Management expenditures were \$273 thousand less than budgeted due to savings in expected claims against the City, insurance, and personnel costs. The Fire Department expenditures were \$1.3 million less than budgeted due to unfilled positions, fuel savings, vehicle maintenance savings, and ambulance supplies and special fire apparel purchases that were not completed by the end of the year. Planning and Building expenditures were \$818 thousand less than budgeted due to salary savings from unfilled positions, building contract costs budgeted but not needed, and special projects not started in the fiscal year. The unspent budgets for the special projects will be carried forward to the next year. Community Services Department expenditures were \$618 thousand less than budgeted due to savings in personnel costs, utility costs, and facility maintenance. Law enforcement expenditures were \$80 thousand less than budgeted due to less than full staffing from the Sheriff Department.

**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2025

**CAPITAL ASSET / INTANGIBLE ASSET AND DEBT ADMINISTRATION****Capital Assets and Intangible Assets**

The City's investment in capital assets and intangible assets as of June 30, 2025, was \$179.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, parks, infrastructure, equipment, vehicles, construction in progress, and right to use assets.

**City of Santee**  
**Capital Assets**  
**(Net of Accumulated Depreciation and Amortization)**  
**June 30, 2025 and 2024**

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
Land	\$ 14,703,799	\$ 14,703,799
Parks	5,257,745	5,257,745
Construction in progress	7,412,727	5,134,071
Buildings and improvements	9,402,811	9,830,482
Improvements other than buildings	7,696,040	8,322,139
Equipment	5,378,180	5,962,236
Vehicles	2,261,512	1,625,284
Infrastructure	126,674,276	129,383,818
Right-to-use equipment	51,597	31,080
Right-to-use vehicles	406,331	424,892
Right-to-use subscriptions	691,742	724,946
<b>Totals</b>	<b>\$ 179,936,760</b>	<b>\$ 181,400,492</b>

Major capital asset activity during the year included the following:

- \$627,036 for purchase of a Type 2 Brush Rig.
- \$334,248 for purchase of a 2025 North Star Ambulance and \$201,601 for an ambulance remount to replace vehicle 187.
- \$1,503,720 was spent on pavement repairs and rehabilitation citywide.
- \$531,355 was spent to replace the synthetic turf at Town Center Community Park. The project was completed in fiscal year 2024-25 at a total cost of \$1,019,581.
- \$1,070,442 was spent on storm drain system improvements at various locations.
- \$856,064 was spent on the design and construction of the Interim Fire Station #20 living quarters.
- \$773,121 was spent on the design of the new permanent Fire Station #20 located at the City's Operation Center. Design of the new facility is anticipated to be complete by the end of December 2025.

# City of Santee

## Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

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

### Long-term Debt

At June 30, 2025, the City had \$67.5 million in long-term debt outstanding:

City of Santee Long-term Debt/Liabilities June 30, 2025 and 2024		
	Governmental Activities	
	2025	2024
Notes and loans payable	\$ 4,670,827	\$ 5,296,250
Leases payable	1,255,316	1,473,766
Subscription payable	400,292	446,832
Claims and judgments	1,926,000	1,776,000
Compensated absences	1,978,733	1,586,282
Other post-employment benefits (OPEB)	895,724	1,092,494
Net pension liability	56,402,837	57,697,976
Totals	\$ 67,529,729	\$ 69,369,600

The City's outstanding debt decreased by \$1.8 million during the past fiscal year. This decrease is primarily attributable to a \$1.3 million decrease in the City's net pension liability. A decrease was also realized in the City's liabilities for other post-employment benefits (OPEB), \$197 thousand. The liabilities for notes payable, loans payable, leases payable and subscription payable decreased due to scheduled debt service payments. Claims and judgments increased due to actuarial assumptions of potential claims against the City, and compensated absences increased due to employees holding higher leave balances. Additional information regarding long-term debt can be found in Notes 2F, 3B and 3C in the Notes to the Financial Statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

- General Fund revenues are projected to increase by \$1.3 million or 2.0%.
- The net assessed valuation of property in the City is anticipated to increase by 4.0%. Increases in residential real estate prices over the past several years, combined with new construction and changes of ownership, are the factors behind the increase in assessed valuation and property tax revenues.
- Sales tax revenue is projected to increase by 3.2% next fiscal year. Growth is expected to continue in the Building and Construction category, County Pool, and Autos and Transportation, while the other categories are expected to flatten or decrease.



**Management's Discussion and Analysis**  
For the Fiscal Year Ended June 30, 2025

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- Franchise fee revenue is expected to increase by 2.0% next year, with increases in revenues from solid waste and gas & electricity franchisees expected to be partially offset by a decrease in the revenues to be received from telecommunications franchisees.
- The General Fund adopted budget for next fiscal year reflects a 2.95% increase in operating expenditures over the FY 2024-25 amended budgeted expenditures.
- Law enforcement services contract costs will increase by 3.5% over the next year with a \$617,940 impact to the budget. This will be the fourth year of a five-year contract. Years 1 and 2 had 1% increases and years 3, 4, and 5 have 3.5% increases.
- Actuarial methods, demographic assumption changes, and a reduction in the discount rate (assumed rate of return on retirement plan assets) that have been implemented by the California Public Employees Retirement System continue to result in increases in retirement costs as the impact of these changes continues to be phased in over the next several years. While the FY 2025-26 budget is balanced, the impact of these changes will provide continued challenges for the City in balancing its budget in future years. Taking steps to reduce the City's pension liability and minimize pension cost impacts on the budget is a key priority. The City is systematically accelerating the elimination of the Unfunded Liability by budgeting Additional Discretionary Payments (ADP) to CalPERS. In FY 2025-26 the budgeted ADP amount is \$600,000. This will be the fifth consecutive year of making the ADP to CalPERS.
- The General Fund reserve policy states that a minimum reserve of 22% of annual General Fund operating expenditures be maintained. The reserve policy will be met.
- Other planned uses include \$945,100 for funding the City's Capital Improvement Program, \$592,970 for vehicle purchases and leases, and \$70,000 to the Technology Replacement Fund.

The FY 2025-26 budget provides for a 3% across the board salary increase for employees, along with separate market adjustments for members of the Santee Firefighters' Association.

**REQUESTS FOR INFORMATION**

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

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# **BASIC FINANCIAL STATEMENTS**

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Statement of Net Position

June 30, 2025

(with summarized comparative information for prior year)

	Governmental Activities	
	2025	2024
<b>ASSETS</b>		
Cash and investments (Note 2A)	\$ 78,207,178	\$ 75,435,506
Accounts receivable	1,763,678	1,460,960
Loans receivable (Note 2C)	920,500	920,500
Interest receivable	746,957	633,316
Due from other governments	3,561,736	3,837,318
Inventory	5,954	3,425
Prepaid items	107,633	85,357
Land held for resale	439,000	439,000
Capital assets, not being depreciated/amortized (Note 2D)	27,374,271	25,095,615
Capital assets, net of depreciation/amortization (Note 2D)	152,562,489	156,304,877
Total Assets	265,689,396	264,215,874
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to pension (Note 3B)	17,907,261	22,941,563
Related to OPEB (Note 3C)	771,785	904,089
Total Deferred Outflows of Resources	18,679,046	23,845,652
<b>LIABILITIES</b>		
Accounts payable	6,544,250	6,300,847
Accrued salaries and benefits	715,857	756,183
Due to other government	-	5,716
Deposits payable	2,035,463	1,876,640
Interest payable	26,694	34,311
Advance from other governments	783,959	2,021,570
Accrued liabilities	443,176	438,919
Other liabilities	1,394,870	1,394,870
Noncurrent liabilities:		
Due within one year - long-term liabilities (Note 2F)	3,231,257	2,875,687
Due in more than one year:		
Long-term liabilities (Note 2F)	6,999,911	7,703,443
Net pension liability (Note 3B)	56,402,837	57,697,976
Net OPEB liability (Note 3C)	895,724	1,092,494
Total Liabilities	79,473,998	82,198,656
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to pensions (Note 3B)	3,912,193	7,135,153
Related to OPEB (Note 3C)	564,170	760,899
Gain on refinancing (Note 2F)	510,955	673,179
Total Deferred Inflows of Resources	4,987,318	8,569,231
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	172,987,358	173,514,638
Restricted for:		
Capital projects	37,084,729	37,871,609
Community development	1,386,602	1,388,005
General government	132,303	104,796
Public safety	5,011,295	4,402,001
Public works	5,638,546	4,950,242
Unrestricted	(22,333,707)	(24,937,652)
Total Net Position	\$ 199,907,126	\$ 197,293,639

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

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**Statement of Activities**  
For the year ended June 30, 2025  
*(with summarized comparative information for prior year)*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2025	2024
General government	\$ 13,027,772	\$ 771,226	\$ (78,542)	\$ 113,137	\$ (12,221,951)	\$ (11,430,420)
Public safety	39,905,831	8,836,829	1,698,928	14,140	(29,355,934)	(27,468,469)
Public works	21,083,515	3,779,835	5,482,883	4,406,034	(7,414,763)	(6,769,271)
Community development	123,202	425,787	576,518	-	879,103	(47,718)
Parks and recreation	3,992,038	1,198,722	-	284,841	(2,508,475)	48,765
Interest expense	213,899	-	-	-	(213,899)	(226,887)
Total governmental activities	<u>\$ 78,346,257</u>	<u>\$ 15,012,399</u>	<u>\$ 7,679,787</u>	<u>\$ 4,818,152</u>	<u>(50,835,919)</u>	<u>(45,894,000)</u>
General Revenues:						
Property taxes					26,753,631	25,206,404
Sales and use					19,647,891	19,800,193
Franchise taxes					4,063,946	4,176,119
Other taxes					1,073,074	1,057,794
Motor vehicle in lieu, unrestricted					94,057	73,298
Investment earnings					1,613,073	1,556,084
Miscellaneous					<u>203,734</u>	<u>227,995</u>
Total general revenues					<u>53,449,406</u>	<u>52,097,887</u>
Change in net position					<u>2,613,487</u>	<u>6,203,887</u>
Net position, beginning of fiscal year					<u>197,293,639</u>	<u>191,089,752</u>
Net position, end of fiscal year					<u>\$ 199,907,126</u>	<u>\$ 197,293,639</u>

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

# City of Santee

## Balance Sheet

June 30, 2025

(with summarized comparative information for prior year)

	General	Capital Projects
<b>ASSETS</b>		
Cash and investments	\$ 30,043,063	\$ 12,917,104
Accounts receivable	1,725,700	-
Loans receivable	-	-
Interest receivable	363,712	-
Due from other funds	183,053	-
Due from other governments	2,370,343	110,920
Inventories	5,954	-
Land held for resale	439,000	-
Prepaid items	107,040	-
Advances to other funds	1,359	-
Total Assets	<u>\$ 35,239,224</u>	<u>\$ 13,028,024</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 5,367,624	\$ 548,980
Accrued salaries and benefits	715,293	-
Accrued liabilities	443,167	-
Deposits payable	1,923,451	112,012
Advance from other governments	323,027	200,000
Due to other governments	-	-
Due to other funds	-	-
Other liabilities	1,394,870	-
Advances from other funds	-	-
Total Liabilities	<u>10,167,432</u>	<u>860,992</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues - intergovernmental	<u>413,279</u>	<u>110,920</u>
Total Deferred Inflows of Resources	<u>413,279</u>	<u>110,920</u>
<b>FUND BALANCES (DEFICIT)</b>		
Nonspendable	736,406	-
Restricted	-	12,056,112
Committed	3,551,895	-
Assigned	258,726	-
Unassigned	20,111,486	-
Total Fund Balances	<u>24,658,513</u>	<u>12,056,112</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,239,224</u>	<u>\$ 13,028,024</u>

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



(Continued)

Public Facilities	Non-Major Governmental Funds	Total Governmental Funds	
		2025	2024
\$ 9,628,556	\$ 25,618,455	\$ 78,207,178	\$ 75,435,506
-	37,978	1,763,678	1,460,960
-	920,500	920,500	920,500
96,071	287,174	746,957	633,316
-	-	183,053	208,878
-	1,080,473	3,561,736	3,837,318
-	-	5,954	3,425
-	-	439,000	439,000
-	593	107,633	85,357
-	-	1,359	6,413
<u>\$ 9,724,627</u>	<u>\$ 27,945,173</u>	<u>\$ 85,937,048</u>	<u>\$ 83,030,673</u>
\$ -	\$ 627,646	\$ 6,544,250	\$ 6,300,847
-	564	715,857	756,183
-	9	443,176	438,919
-	260,932	2,035,463	1,876,640
-	-	783,959	2,021,570
-	-	-	5,716
-	183,053	183,053	208,878
-	-	1,394,870	1,394,870
-	1,359	1,359	6,413
<u>-</u>	<u>1,073,563</u>	<u>12,101,987</u>	<u>13,010,036</u>
-	216,123	740,322	576,362
<u>-</u>	<u>216,123</u>	<u>740,322</u>	<u>576,362</u>
-	921,093	1,657,499	743,073
9,724,627	25,851,703	47,632,442	48,139,749
-	-	3,551,895	3,006,210
-	-	258,726	1,394,731
-	(117,309)	19,994,177	16,160,512
<u>9,724,627</u>	<u>26,655,487</u>	<u>73,094,739</u>	<u>69,444,275</u>
<u>\$ 9,724,627</u>	<u>\$ 27,945,173</u>	<u>\$ 85,937,048</u>	<u>\$ 83,030,673</u>

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**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position**  
June 30, 2025

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Fund balances of governmental funds	\$	73,094,739
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets and intangible assets, net of accumulated depreciation and amortization, are not financial resources and, therefore, are not reported in the funds.		179,936,760
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Receivables which are not considered to be available to finance current expenditures are reported as unavailable revenue in the governmental funds.		740,322
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Deferred outflows and inflows of resources related to pensions, OPEB and a gain on refinancing that are required to be recognized over a defined closed period.

Pension related deferred outflows of resources	\$ 17,907,261	
OPEB related deferred outflows of resources	771,785	
Pension related deferred inflows of resources	(3,912,193)	
OPEB related deferred inflows of resources	(564,170)	
Gain on refinancing	<u>(510,955)</u>	13,691,728

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

Notes and loans payable	(4,670,827)	
Leases payable	(1,255,316)	
Subscription payable	(400,292)	
Claims and judgments	(1,926,000)	
Compensated absences	(1,978,733)	
Net OPEB liability	(895,724)	
Net pension liability	<u>(56,402,837)</u>	(67,529,729)

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		<u>(26,694)</u>
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Net position of governmental activities	\$	<u><u>199,907,126</u></u>
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The accompanying notes are an integral part of these financial statements.

# City of Santee

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

### Governmental Funds

For the year ended June 30, 2025

*(with summarized comparative information for prior year)*

	General	Capital Projects	Public Facilities
<b>REVENUES</b>			
Property taxes	\$ 26,393,617	\$ -	\$ -
Sales taxes	19,647,891	-	-
Other taxes	5,137,019	-	-
Special assessments	1,140,513	-	-
Intergovernmental	1,117,041	635,251	-
Licenses and permits	208,703	-	-
Fines and forfeitures	229,533	-	-
Developer fees	-	-	99,158
Charges for services	4,288,165	-	-
Investment earnings	1,637,354	-	444,182
Other revenue	948,727	-	-
Total revenues	60,748,563	635,251	543,340
<b>EXPENDITURES</b>			
Current:			
General government	11,154,125	70,861	-
Public safety	40,241,480	773,121	-
Public works	9,850,994	7,119,721	-
Community development	-	-	-
Parks and recreation	1,527,826	608,498	-
Debt Service:			
Principal retirement	680,690	-	-
Interest	38,832	-	-
Total Expenditures	63,493,947	8,572,201	-
Excess (Deficiency) of Revenues Over Expenditures	(2,745,384)	(7,936,950)	543,340
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease acquisition	148,108	-	-
Subscription acquisition	263,419	-	-
Transfers in	6,497,999	5,249,449	187,600
Transfers out	(954,182)	(187,600)	-
Total Other Financing Sources (Uses)	5,955,344	5,061,849	187,600
Net Change in Fund Balances	3,209,960	(2,875,101)	730,940
Fund Balances, previously reported	21,448,553	14,931,213	8,993,687
Adjustment - change from nonmajor to major	-	-	-
Fund Balances, Beginning of Year	21,448,553	14,931,213	8,993,687
Fund Balances, End of Year	\$ 24,658,513	\$ 12,056,112	\$ 9,724,627

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

(Continued)

American Rescue Plan Act (formerly major)	Non-Major Governmental Funds	Total Governmental Funds	
		2025	2024
	\$ 971,825	\$ 27,365,442	\$ 26,142,709
	-	19,647,891	19,800,193
	3,417,036	8,554,055	8,680,719
	2,933,486	4,073,999	3,625,996
	4,346,040	6,098,332	9,480,559
	-	208,703	169,323
	-	229,533	167,856
	1,096,795	1,195,953	5,070,866
	-	4,288,165	9,052,373
	1,212,629	3,294,165	2,954,258
	4,728,595	5,677,322	4,548,100
	18,706,406	80,633,560	89,692,952
	432,546	11,657,532	11,704,005
	380,590	41,395,191	42,004,041
	3,588,203	20,558,918	21,108,063
	123,202	123,202	305,727
	-	2,136,324	1,950,983
	621,250	1,301,940	1,178,629
	182,684	221,516	261,905
	5,328,475	77,394,623	78,513,353
	13,377,931	3,238,937	11,179,599
	-	148,108	1,147,791
	-	263,419	49,336
	61,928	11,996,976	20,571,791
	(10,855,194)	(11,996,976)	(20,571,791)
	(10,793,266)	411,527	1,197,127
	2,584,665	3,650,464	12,376,726
-	24,070,822	69,444,275	57,067,549
-	-	-	-
-	24,070,822	69,444,275	57,067,549
\$ -	\$ 26,655,487	\$ 73,094,739	\$ 69,444,275

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

For the year ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$	3,650,464
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital additions	\$	6,156,495	
Intangible assets additions		411,527	
Depreciation expense		(7,569,714)	
Amortization expense		(472,387)	
Loss on disposal of assets		10,347	(1,463,732)

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

Lease acquisition		(148,108)	
Subscription acquisition		(263,419)	
Principal payments		1,301,940	
Amortization of gain on refunding		162,224	1,052,637

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		7,617
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The net effect of revenues reported in the Statement of Activities which are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.		163,960
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Expenses were charged to the Statement of Activities for compensated absences, claims payable, net pension liability, pension related deferred outflows and inflows of resources and net OPEB liability. In the governmental funds, these do not require the use of current funds and accordingly are not included.

Net change in claims and judgments		(150,000)	
Net change in compensated absences		(392,451)	
Net change in net pension liability		1,295,139	
Net change in pension and OPEB related deferred outflows and inflows of resources		(1,746,917)	
Net change in net OPEB liability		196,770	(797,459)

Change in Net Position of Governmental Activities	\$	2,613,487
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The accompanying notes are an integral part of these financial statements.

**Statement of Fiduciary Net  
Position Fiduciary Funds**  
June 30, 2025

	Private Purpose Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and investments (Note 2A)	\$ 2,336,242	\$ 1,742,296
Cash and investments with fiscal agents (Note 2A)	980,035	527,117
Accounts receivable	-	2,115,334
Loans receivable (Note 2C)	231,435	-
Interest receivable	12,375	19,846
Due from other governments	-	671
Total Assets	<u>3,560,087</u>	<u>4,405,264</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred refunding charge (Note 3G)	<u>4,021,018</u>	-
Total Deferred Outflows of Resources	<u>4,021,018</u>	-
<b>LIABILITIES</b>		
Accounts payable	-	808,364
Interest payable	565,704	-
Noncurrent liabilities		
Due within one year (note 3G)	2,174,728	-
Due in more than one year (note 3G)	<u>32,263,827</u>	-
Total Liabilities	<u>35,004,259</u>	<u>808,364</u>
<b>NET POSITION (DEFICIT)</b>		
Net position restricted	(27,423,154)	2,529,849
Net position restricted for bondholders	-	1,067,051
Total Net Position	<u>\$ (27,423,154)</u>	<u>\$ 3,596,900</u>

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

## *City of Santee*

### **Statement of Changes in Fiduciary Net Position**

#### **Fiduciary Funds**

For the year ended June 30, 2025

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	Private Purpose Trust Fund	Custodial Fund
<b>ADDITIONS</b>		
Taxes	\$ 3,339,555	\$ -
Special assessments	-	539,182
Charges for services	-	9,015,294
Investment earnings	191,004	89,560
Other revenue	30	174,147
Total Additions	<u>3,530,589</u>	<u>9,818,183</u>
<b>DEDUCTIONS</b>		
Administrative costs	30,045	9,932,554
Interest and fiscal charges	1,400,714	350,113
Principal payments	-	170,000
Total Deductions	<u>1,430,759</u>	<u>10,452,667</u>
Change in Fiduciary Net Position	2,099,830	(634,484)
Net Position (Deficit), Beginning of the Year	<u>(29,522,984)</u>	<u>4,231,384</u>
Net Position (Deficit), End of the Year	<u><u>\$ (27,423,154)</u></u>	<u><u>\$ 3,596,900</u></u>

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



**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A) Reporting Entity**

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

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

The Authority's Board of Directors is the Santee City Council and the Authority is therefore reported as a blended component unit of the City. However, with the final debt service payment having been made by the Authority on its Lease Revenue Bonds in February 2019 there are no financial transactions to be reported for the year ended June 30, 2025 and no current separate financial statements are available for the Authority.

**B) Government-wide and Fund Financial Statements**

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

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The City reports the following major governmental funds:

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

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

*Public Facilities Fund* – This capital projects fund is used to account for developer fees collected for the construction of park facilities and community buildings.

Additionally, the City reports the following fiduciary fund types:

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

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

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

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

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D) Assets, Liabilities, and Net Position**

Cash and Investments

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

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

Receivables and Payables

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

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

Property Tax Calendar

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

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

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****D) Assets, Liabilities, and Net Position (Continued)**Inventories and Prepaid Items

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

Land Held for Resale

Land held for resale is carried at the lower of cost or estimated realizable value. At June 30, 2025 the General Fund is reporting land held for resale with a value of \$439,000 representing four parcels that were conveyed by the Santee Community Development Commission Successor Agency to the City, to be held by the City for future development or sale, subject to a future compensation agreement with the various affected taxing entities as required by law.

Capital Assets

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

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

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

Buildings	50 years
System Infrastructure	20 to 50 years
Building improvements	5 to 25 years
Vehicles	3 to 15 years
Computer equipment	3 to 10 years
Office equipment	3 to 7 years
Leases and subscription assets	Life of associated contract

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D) Assets, Liabilities, and Net Position (Continued)**

Long-Term Obligations

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick and compensatory time. The balance of unpaid vacation and compensatory time at June 30, 2025 is recorded as a long-term liability.

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

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

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

Claims and Judgments

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

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

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

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E) Fair Value Measurements**

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

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

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

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

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

**F) Pensions**

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



**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F) Pensions (Continued)**

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

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

**G) Other Post-Employment Benefits (OPEB)**

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

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

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

**H) Prior Year Comparative Information**

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

**I) Estimates**

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J) New Accounting Pronouncements**

During the fiscal year ended June 30, 2025, the City implemented the following GASB standards:

The City adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard provides a unified approach for recognizing and measuring all types of compensated absences, such as vacation and sick leave. The related disclosures required by this standard are included in Note 2F.

The City adopted the Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to evaluate whether any events related to significant concentrations or constraints have occurred, are occurring or likely to occur within 12 months of issuing the financial statements. As part of this evaluation, the City reviewed potential risks and did not identify any events or conditions that meet this criteria for disclosure under GASB Statement No. 102.

**2) DETAILED NOTES ON ALL FUNDS**

**A) Cash and Investments**

Cash and investments at June 30, 2025 are classified in the accompanying financial statements as follows:

Governmental Activities:	
Cash and investments	\$ 78,207,178
Fiduciary Funds:	
Cash and investments	4,078,538
Cash and investments with fiscal agent	<u>1,507,152</u>
Total Cash and Investments	<u>\$ 83,792,868</u>

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	\$ 6,050
Deposits with financial institutions	1,353,684
Investments	<u>82,433,134</u>
Total Cash and Investments	<u>\$ 83,792,868</u>

**Notes to the Financial Statements**  
For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)****A) Cash and Investments (Continued)**

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

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

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

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity <sup>(1)</sup>	Maximum Percentage of Portfolio <sup>(1)</sup>	Maximum Investment in One Issuer <sup>(1)</sup>
Local Agency Bonds	Yes	5 Years	30%	None
U.S. Treasury Obligations	Yes	5 Years	None	None
State Obligations - CA and Others	Yes	N/A	30%	None
CA Local Agency Obligations Federal	Yes	N/A	30%	None
Agency Securities	Yes	5 Years	None	None
Banker's Acceptances	Yes	180 Days	40%	30%
Commercial Paper	Yes	270 Days	15% <sup>(2)</sup>	None
Negotiable Certificates of Deposit	Yes	5 Years	30%	None
Repurchase Agreements	No	90 Days	10%	None
Reverse Repurchase Agreements	Yes	N/A	N/A	N/A
Medium-Term Corporate Notes	Yes	5 Years	30%	None
Mutual Funds	Yes	N/A	15%	10%
Money Market Mutual Funds	Yes	N/A	15%	10%
Mortgage Pass-through Securities	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund	Yes	N/A	None	75 million
California Asset Management	Yes	N/A	None	None
Program JPA Pools (Other	No	N/A	N/A	N/A
Investment Pools) Supranationals	Yes	N/A	30%	AA

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

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

**Notes to the Financial Statements**For the year ended June 30, 2025

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**2) DETAILED NOTES ON ALL FUNDS (Continued)****A) Cash and Investments (Continued)****Investments Authorized by Debt Agreements**

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

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

**Disclosures Relating to Interest Rate Risk**

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

**Notes to the Financial Statements**  
For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**A) Cash and Investments (Continued)**

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

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months Or Less	12+ to 36 Months	36+ to 60 Months
Treasury securities	\$ 8,774,485	\$ 3,494,162	\$ 5,280,323	\$ -
Federal agency securities	2,982,308	2,477,977	504,331	-
Medium term corporate notes	7,271,830	1,603,456	5,415,117	253,257
Supranational	554,140	-	554,140	-
Local Agency Investment Fund (LAIF)	60,198,938	60,198,938	-	-
California Asset Management Program (CAMP) Investments with Fiscal Agent:	1,144,281	1,144,281	-	-
Money Market Funds	1,507,152	1,507,152	-	-
Total	<u>\$ 82,433,134</u>	<u>\$ 70,425,966</u>	<u>\$ 11,753,911</u>	<u>\$ 253,257</u>

**Disclosures Relating to Credit Risk**

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

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End	
				AAA/A-	Not Rated
Treasury securities	\$ 8,774,485	N/A	\$ 8,774,485	\$ -	\$ -
Federal agency securities	2,982,308	AA	-	2,982,308	-
Medium term corporate notes	7,271,830	A	-	7,020,010	251,820
Supranational	554,140	AA	-	554,140	-
Local Agency Investment Fund (LAIF)	60,198,938	N/A	-	-	60,198,938
California Asset Management Program (CAMP) Investments with Fiscal Agent:	1,144,281	N/A	-	1,144,281	-
Money Market Funds	1,507,152	A-1+	-	1,507,152	-
Total	<u>\$ 82,433,134</u>		<u>\$ 8,774,485</u>	<u>\$ 13,207,891</u>	<u>\$ 60,450,758</u>

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**A) Cash and Investments (Continued)**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City generally manages its exposure to custodial credit risk by collateralizing deposits and by using an investment custodian other than the broker-dealer.

**Investment in Investment Pools**

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

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

**Notes to the Financial Statements**  
For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**B) Fair Value Measurements**

The City categorizes certain assets and liabilities within the fair value hierarchy established by generally accepted accounting principles as discussed in Note 1E. The City has the following recurring fair value measurements as of June 30, 2025:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Treasury securities	\$ 8,774,485	\$ 8,774,485	\$ -	\$ -
Federal agency securities	2,982,308	-	2,982,308	-
Medium term corporate notes	7,271,830	-	7,271,830	-
Supranational	554,140	-	554,140	-
Total Investments by Fair Value Level	19,582,763	<u>\$ 8,774,485</u>	<u>\$ 10,808,278</u>	<u>\$ -</u>
Not Subject to the Fair Value Hierarchy:				
Local Agency Investment Fund (LAIF)	60,198,938			
California Asset Management Program (CAMP)	1,144,281			
Money market funds	1,507,152			
Total Investments	\$ 82,433,134			

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

**C) Loans Receivable**

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

The balance of the loans outstanding at June 30, 2025 was \$920,500.

The loans receivable in the Fiduciary Fund represents those loans issued by the former Community Development Commission for low and moderate-income housing. The balance of the loans at June 30, 2025, net of an allowance for doubtful accounts is \$231,435.

**Notes to the Financial Statements**

For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**D) Capital Assets**

The following table presents summary information on the changes in governmental funds capital assets for the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets, Non-Depreciable:				
Land	\$ 14,703,799	\$ -	\$ -	\$ 14,703,799
Parks	5,257,745	-	-	5,257,745
Construction in progress	5,134,071	3,492,493	(1,213,837)	7,412,727
Total Capital Assets, Non-Depreciable:	25,095,615	3,492,493	(1,213,837)	27,374,271
Capital assets, depreciable/amortizable:				
Buildings and improvements	23,187,026	-	-	23,187,026
Improvements other than buildings	15,513,558	168,147	-	15,681,705
Equipment	15,838,627	322,475	-	16,161,102
Vehicles	8,097,014	1,214,727	(461,622)	8,850,119
Infrastructure	293,662,646	2,172,490	(52,689)	295,782,447
Right-to-use equipment	62,293	47,899	(6,399)	103,793
Right-to-use vehicles	543,332	100,209	-	643,541
Right-to-use subscriptions	1,418,847	263,419	(18,713)	1,663,553
Total Capital Assets, Depreciable/Amortizable:	358,323,343	4,289,366	(539,423)	362,073,286
Less accumulated depreciation/amortization:				
Buildings and improvements	(13,356,544)	(427,671)	-	(13,784,215)
Improvements other than buildings	(7,191,419)	(794,246)	-	(7,985,665)
Equipment	(9,876,391)	(906,531)	-	(10,782,922)
Vehicles	(6,471,730)	(577,368)	460,491	(6,588,607)
Infrastructure	(164,278,828)	(4,863,898)	34,555	(169,108,171)
Right-to-use equipment	(31,213)	(23,421)	2,438	(52,196)
Right-to-use vehicles	(118,440)	(118,770)	-	(237,210)
Right-to-use subscriptions	(693,901)	(330,196)	52,286	(971,811)
Total Capital Assets, Depreciation/Amortization	(202,018,466)	(8,042,101)	549,770	(209,510,797)
Total Capital Assets, Depreciable/Amortizable, Net	156,304,877	(3,752,735)	10,347	152,562,489
Governmental Activities Capital Assets, Net	\$ 181,400,492	\$ (260,242)	\$ (1,203,490)	\$ 179,936,760



**Notes to the Financial Statements**  
For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**D) Capital Assets (Continued)**

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

General government	\$ 729,770
Public safety	817,392
Public works	4,947,225
Parks and recreation	<u>1,547,714</u>
Total Governmental Activities	
Depreciation Expense	<u>\$ 8,042,101</u>

**E) Interfund Receivables, Payables and Transfers**

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

*Due to/from Other Funds:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	<u>\$ 183,053</u>

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

*Advances to/from Other Funds:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	<u>\$ 1,359</u>

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

	<i>Transfers In:</i>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Public Facilities Fund</u>	<u>Non-Major Governmental Funds</u>	
<i>Transfers Out:</i>					
General Fund	\$ -	\$ 912,001	\$ -	\$ 42,181	\$ 954,182
Capital Projects Fund	-	-	187,600	-	187,600
Non-Major Governmental Funds	6,497,999	4,337,448	-	19,747	10,855,194
Total	<u>\$ 6,497,999</u>	<u>\$ 5,249,449</u>	<u>\$ 187,600</u>	<u>\$ 61,928</u>	<u>\$ 11,996,976</u>

**Notes to the Financial Statements**

For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**F) Long-term Liabilities**

Changes in Long-term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions*	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes and loans payable	\$ 5,296,250	\$ -	\$ (625,423)	\$ 4,670,827	\$ 647,500
Leases payable	1,473,766	148,108	(366,558)	1,255,316	373,172
Subscriptions payable	446,832	263,419	(309,959)	400,292	300,535
Claims and judgments	1,776,000	757,077	(607,077)	1,926,000	426,000
Compensated absences	1,586,282	392,451	-	1,978,733	1,484,050
Total	<u>\$ 10,579,130</u>	<u>\$ 1,561,055</u>	<u>\$ (1,909,017)</u>	<u>\$ 10,231,168</u>	<u>\$ 3,231,257</u>

\*Compensated absences is presented as a net effect per implementation of GASB 101.

Notes and Loans Payable

SANDAG 2010 Agreement

On November 17, 2010, the City entered into an agreement with the San Diego Association of Governments (SANDAG) under which the City borrowed \$8,450,000 through the TransNet debt financing program for flood channel improvements and street repair and rehabilitation projects. In accordance with the agreement, the City is responsible for paying its proportionate share of SANDAG's bond debt service through the maturity date of the note in fiscal year ending 2030. In February 2020, the bonds originally issued by SANDAG were refunded. As a result of the refunding, the principal balance owed by the City decreased by \$830,000, and the City's share of the premium on the original issuance, \$273,845, was eliminated. This resulted in a gain on refinancing of \$1,114,806 which is recognized as a deferred inflow and amortized over the remaining 10 years of the borrowing. The amortized amount for fiscal year 2024-25 was \$111,481. Interest on the note is 0.8674%.

The repayment of debt is the first priority on the use of the City's annual TransNet revenues. As of June 30, 2025, the City's total debt outstanding on this note was \$2,095,000.

*Revenues Pledged* - The City has pledged a portion of TransNet revenues to repay a note payable to SANDAG. The note payable is secured solely by the TransNet revenues. These revenues total approximately \$1,500,000 per year. Total principal and interest remaining on the note payable is \$3,019,982 payable through fiscal year 2034. For the current year, principal and interest paid were \$232,500 and \$62,696, respectively.

**Notes to the Financial Statements**  
For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)****F) Long-term Liabilities (Continued)**Notes and Loans Payable (Continued)

Annual debt service requirements to maturity on this debt at June 30, 2025 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 405,000	\$ 100,550
2027	423,750	81,350
2028	440,000	63,313
2029	462,500	41,313
2030	363,750	18,177
Total	<u>\$ 2,095,000</u>	<u>\$ 304,703</u>

SANDAG 2014 Agreement

On September 10, 2014, the City entered into an agreement with the San Diego Association of Governments (SANDAG) under which the City borrowed \$4,500,000 through the TransNet debt financing program for street repairs and rehabilitation projects. Under the agreement, the City is responsible for its proportionate share of SANDAG's bond issuance costs, annual debt service and administrative costs through the maturity date of the note in fiscal year ending 2034. In February 2021, \$2,870,000 of the City's share of the bonds originally issued by SANDAG was refunded. The remaining principal balance of \$571,250 remains in the original issuance. As a result of the refunding, a portion of the City's share of the premium on the original issuance, \$456,707, was eliminated and the maturity date of the non-refunded portion of the bonds changed to 2024. This resulted in a gain on refinancing of \$456,507 which is recognized as a deferred inflow and amortized over the remaining three years of the non-refunded portion of the issuance. The amortized amount for fiscal year 2024-25 was \$0. The portion of the original premium that was not refunded, \$121,521, will also be amortized over three years. The amortized amount for fiscal year 2024-25 was \$0. Interest on the note is 3.851% on the non-refunded portion of the note and 2.214% on the refunded portion.

The repayment of debt is the first priority on the use of the City's annual TransNet revenues. As of June 30, 2025, the City's total debt outstanding on this note was \$2,580,000.

**Notes to the Financial Statements**

For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)****F) Long-term Liabilities (Continued)**

*Revenues Pledged* – The City has pledged a portion of TransNet revenues to repay a note payable to SANDAG. The note payable is secured solely by the TransNet revenues. These revenues total approximately \$1,500,000 per year. Total principal and interest remaining on the note payable is \$2,399,713 payable through fiscal year 2034. For the current year, principal and interest paid were \$388,750 and \$119,988, respectively.

Annual debt service requirements to maturity on this debt at June 30, 2025 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 242,500	\$ 61,093
2027	253,750	59,165
2028	268,750	56,705
2029	282,500	53,961
2030	293,750	50,771
2031-2034	1,234,577	158,287
Total	<u>\$ 2,575,827</u>	<u>\$ 439,982</u>

**Leases Payable****2022 Pierce Arrow XT Triple Combination Pumper**

On September 8, 2022, the City entered into an agreement with PNC Bank, National Association in the amount of \$877,692 for the purchase of a 2022 Pierce Arrow XT Triple Combination Pumper. Financing for this purchase was acquired through a Master Lease-Purchase Agreement with PNC Bank dated September 12, 2022.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 119,858	\$ 25,968
2027	124,652	21,173
2028	129,639	16,187
2029	134,824	11,002
2030	140,217	5,609
Total	<u>\$ 649,190</u>	<u>\$ 79,939</u>

**Notes to the Financial Statements**  
For the year ended June 30, 2025

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**2) DETAILED NOTES ON ALL FUNDS (Continued)****F) Long-term Liabilities (Continued)**2016 Pierce Arrow XT Tiller

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

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 124,859	\$ 4,195
Total	<u>\$ 124,859</u>	<u>\$ 4,195</u>

Equipment and Vehicles

The City has entered into numerous leases as a Lessee for the use of various equipment and vehicles, which ranged from 29 to 126 months. An initial lease liability was recorded in the range between \$3,956 to \$55,894. As of June 30, 2025, the value of the lease liability was \$ 481,267. The City is required to make monthly fixed payments in the range between \$5,070 to \$18,780. The leases have an interest rate between 0.5290% to 8.9600%. The equipment and vehicles have an estimated useful life between 29 to 126 months as of the contract commencement. The value of the right to use asset as of June 30, 2025, of \$747,334 with accumulated amortization of \$289,406 is included with right-to-use leases on Note 2D for the financial statements.

**Notes to the Financial Statements**

For the year ended June 30, 2025

**2) DETAILED NOTES ON ALL FUNDS (Continued)****F) Long-term Liabilities (Continued)**

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 128,455	\$ 31,165
2027	133,597	21,230
2028	106,579	11,563
2029	76,110	4,004
2030	16,746	538
2031-2034	19,780	499
Total	<u>\$ 481,267</u>	<u>\$ 68,999</u>

**Subscription Payable**

During the current fiscal year, the City entered into numerous subscriptions as a Lessee for the use of various subscriptions, which ranged from 24 to 72 months. An initial subscription liability was recorded in the range between \$3,902 to \$602,442. As of June 30, 2025, the value of the subscription liability was \$400,292. The City is required to make annual fixed payments in the range between \$1,875 to \$203,776. The subscriptions have an interest rate in the range between 0.0000% to 2.7960%. The value of the right to use asset as of June 30, 2025 of \$1,663,553 with accumulated amortization of \$971,811 is included with the right to use subscriptions on Note 2D for the financial statements. The City has a range of 2 to 5 extension option(s), each for 12 months.

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 300,535	\$ 1,768
2027	78,618	130
2028	21,139	40
Total	<u>\$ 400,292</u>	<u>\$ 1,938</u>

**2) DETAILED NOTES ON ALL FUNDS (Continued)**

**F) Long-term Liabilities (Continued)**

Claims and Judgments

The outstanding liability for claims payable at June 30, 2025 was \$1,926,000. This liability is primarily liquidated from the General Fund.

Compensated Absences, Net OPEB Liability and Net Pension Liability

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

**G) Conduit Debt**

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

The City is not liable for repayment and acts only as an agent for the property owner in collecting the special taxes or assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings when necessary. These bonds are payable solely from special taxes, specific reserves, and the proceeds from property foreclosures to be levied by the district. The outstanding balance of all conduit debt of the City as of June 30, 2025 is as follows:

<u>Issue Name</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 2025</u>
CFD 2017-1	\$ 8,665,000	\$ 7,895,000

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**3) OTHER INFORMATION**

**A) Risk Management**

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

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

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

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

The changes in the claims liability for the years ended June 30, 2025, 2024, and 2023 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2022-2023	\$ 1,507,000	\$ 653,159	\$ (433,159)	\$ 1,727,000
2023-2024	1,727,000	581,521	(532,521)	1,776,000
2024-2025	1,776,000	757,077	(607,077)	1,926,000

There was no significant reduction in insurance coverage by major categories of risk from fiscal year 2022-23 to fiscal year 2024-25. Furthermore, there was no settlement which exceeded the insurance coverage for the past three years.



**Notes to the Financial Statements**  
For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)****B) Employee Retirement Systems and Pension Plans****California Public Employee Retirement System**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the in the City's separate Safety (fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefits provisions, assumptions and membership information that can be found on the CalPERS website. The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67+	50 - 57+
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.75%
Required employer contribution rates	16.02%	7.87%

	Miscellaneous 2nd Tier	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67+	50 - 57+
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	11.88%	7.87%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	14.50%
Required employer contribution rates	29.30%	14.72%

	Safety 2nd Tier	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% at 55	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	14.50%
Required employer contribution rates	24.96%	14.72%

Notes to the Financial Statements

For the year ended June 30, 2025

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

**Contribution Description** – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2025 were \$7,612,590.

	Miscellaneous	Miscellaneous 2nd Tier	PEPRA Miscellaneous
Contributions - Employer	\$ 2,431,514	\$ 146,156	\$ 412,196
Contributions - Employer (Paid by Employee)	27,859	11,659	-
	Safety	Safety 2nd Tier	PEPRA Safety
Contributions - Employer	\$ 4,025,725	\$ 107,281	\$ 489,718
Contributions - Employer (Paid by Employee)	81,969	12,321	-

**Net Pension Liability** – The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

**3) OTHER INFORMATION (Continued)****B) Employee Retirement Systems and Pension Plans (Continued)**

**Actuarial Methods and Assumptions used to determine Total Pension Liability** – The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

<sup>(1)</sup> 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 from November 2021 that can be found on the CalPERS website.

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

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)**

**B) Employee Retirement Systems and Pension Plans (Continued)**

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

Asset Class <sup>1</sup>	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%)

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management study.

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

**Subsequent Events** – There were no subsequent events that would materially affect the results presented in this disclosure.

**Notes to the Financial Statements**  
For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)****B) Employee Retirement Systems and Pension Plans (Continued)**

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

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Miscellaneous	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2023	\$ 80,404,674	\$ 57,753,148	\$ 22,651,526
Balance at: 6/30/2024	84,604,869	62,412,933	22,191,936
Net Changes during 2023-24	<u>\$ (4,200,195)</u>	<u>\$ (4,659,785)</u>	<u>\$ 459,590</u>
Safety			
Balance at: 6/30/2023	111,536,696	76,490,246	35,046,450
Balance at: 6/30/2024	115,255,694	81,044,793	34,210,901
Net Changes during 2023-24	<u>\$ (3,718,998)</u>	<u>\$ (4,554,547)</u>	<u>\$ 835,549</u>
Total			
Balance at: 6/30/2023	\$ 191,941,370	\$ 134,243,394	\$ 57,697,976
Balance at: 6/30/2024	199,860,563	143,457,726	56,402,837
Net Changes during 2023-24	<u>\$ (7,919,193)</u>	<u>\$ (9,214,332)</u>	<u>\$ 1,295,139</u>

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Notes to the Financial Statements**

For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)**

**B) Employee Retirement Systems and Pension Plans (Continued)**

The City's proportionate share of the net pension liability for the miscellaneous and safety plans as of the June 30, 2023 and 2024 measurement dates was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2023	0.45299%	0.46885%
Proportion - June 30, 2024	0.45883%	0.46923%
Change - Increase (Decrease)	0.00584%	0.00038%

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

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net Pension Liability - Miscellaneous	\$ 33,608,551	\$ 22,191,936	\$ 12,794,383
Net Pension Liability - Safety	49,954,718	34,210,901	21,334,672
Net Pension Liability - Total	<u>\$ 83,563,269</u>	<u>\$ 56,402,837</u>	<u>\$ 34,129,055</u>

**3) OTHER INFORMATION (Continued)****B) Employee Retirement Systems and Pension Plans (Continued)**

***Amortization of Deferred Outflows and Deferred Inflows of Resources*** – Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

Net difference between  
projected and actual earnings  
on pension plan investments

5-year straight-line amortization

All other amounts

Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions*** – As of the start of the measurement period (July 1, 2023), the City's net pension liability was \$57,697,976. For the year ended June 30, 2025, the City recognized a pension expense of \$2,956,739 for the Miscellaneous Plan and \$5,172,052 for the Safety Plan, which totaled \$8,128,791.

**Notes to the Financial Statements**

For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)**

**B) Employee Retirement Systems and Pension Plans (Continued)**

As of June 30, 2025, the City reports deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,989,866	\$ -	\$ 4,622,724	\$ -	\$ 7,612,590	\$ -
Differences between actual contributions made and proportionate share of contributions	215,808	1,044,339	836,308	1,414,385	1,052,116	2,458,724
Differences between expected and actual experience	1,918,696	74,866	2,791,914	90,777	4,710,610	165,643
Changes of assumptions	570,379	-	842,886	-	1,413,265	-
Net difference between projected and actual earnings on pension plan investments	1,277,563	-	1,653,599	-	2,931,162	-
Adjustment due to differences in proportions	-	568,773	187,518	719,053	187,518	1,287,826
Total	<u>\$ 6,972,312</u>	<u>\$ 1,687,978</u>	<u>\$10,934,949</u>	<u>\$ 2,224,215</u>	<u>\$17,907,261</u>	<u>\$ 3,912,193</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$7,612,590 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/Inflows of Resources		
	Miscellaneous	Safety	Total
2026	\$ 227,129	\$ 1,089,648	\$ 1,316,777
2027	2,494,767	3,501,878	5,996,645
2028	10,378	62,272	72,650
2029	(437,806)	(565,788)	(1,003,594)
2030	-	-	-
Thereafter	-	-	-
	<u>\$ 2,294,468</u>	<u>\$ 4,088,010</u>	<u>\$ 6,382,478</u>



3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

**Payable to the Pension Plan** – At June 30, 2025, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

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

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

All employees are 100% vested upon entering the system. PARS contributions are invested in fixed income pension contracts. The plan's provisions and all other requirements were established by federal statutes. For the year ended June 30, 2025, the City's payroll covered by the plan was \$605,039. The City made employer contributions of \$22,689 (3.75% of covered payroll), and employees contributed \$22,689 (3.75% of covered payroll).

C) Other Post-Employment Benefits (OPEB)

**Plan Description** – The City administers a agent multiple employer defined benefit plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements.

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

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**3) OTHER INFORMATION (Continued)**

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

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

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

**Employees Covered** – As of the June 30, 2024 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	136
Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>194</u>

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

**3) OTHER INFORMATION (Continued)****C) Other Post-Employment Benefits (OPEB) (Continued)**

**Net OPEB Liability** – The City's net OPEB Liability was measured as of June 30, 2024 and the net OPEB liability used to calculate the net OPEB Liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal, level percent of pay
Actuarial Assumptions	
Discount rate	6.25%
Inflation	2.50% per year
Salary increases	3.00% per year
Mortality rate	MacLeod Watts Scale 2022 applied generationally
Healthcare cost trend rate	6.5% in 2025, fluctuates until ultimate rate of 3.9% in 2075

**Expected Long-term Return on Assets** – The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are summarized in the following table:

Major Asset Classification	Target Allocation	Years 1-5 Expected Rate of Return	Years 6-20 Expected Rate of Return
Global Equity	49%	6.30%	7.10%
Fixed Income	23%	5.10%	5.00%
Global Real Estate (REIT)	20%	6.10%	6.40%
Treasury Inflation Protected Securities	5%	4.10%	3.80%
Commodities	3%	5.30%	4.40%
Total	100%		

## Notes:

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

**Change of Assumptions** – Effective with the June 30, 2023 valuation date (June 30, 2024) measurement date, the accounting discount rate was increased from 6.05% to 6.25%.

**Notes to the Financial Statements**

For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)**

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

**Changes in the OPEB Liability** – The changes in the net OPEB liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability / (Asset) (c) = (a) - (b)
Balance at June 30, 2024 (Measurement Date: June 30, 2023)	\$ 3,045,264	\$ 1,952,770	\$ 1,092,494
Changes recognized for the measurement period:			
Service Cost	97,734	-	97,734
Interest	183,466	-	183,466
Expected Investment Income	-	118,124	(118,124)
Changes of assumptions	(43,829)	-	(43,829)
Contributions - employer	-	221,036	(221,036)
Investment experience	-	95,616	(95,616)
Benefit payments	(221,036)	(221,036)	-
Administrative expense		(635)	635
Net Changes	16,335	213,105	(196,770)
Balance at June 30, 2025 (Measurement Date: June 30, 2024)	\$ 3,061,599	\$ 2,165,875	\$ 895,724

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trends** – The discount rate used for the fiscal year end 2025 is 6.25%. Healthcare Cost Trend Rate was assumed to start at 6.5% (effective January 1, 2025) and then grade down to 3.9% for years 2076 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

Sensitivity of the Net OPEB Liability			
	Current - 1% 5.25%	Current 6.25%	Current + 1% 7.25%
Changes in Discount Rate Net OPEB Liability	\$ 1,124,609	\$ 895,724	\$ 689,993
	Current Trend - 1%	Current Trend	Current Trend + 1%
Changes in Healthcare Cost Trend Rate Net OPEB Liability	\$ 706,915	\$ 895,724	\$ 1,113,110

**3) OTHER INFORMATION (Continued)****C) Other Post-Employment Benefits (OPEB) (Continued)**

**Recognition of Deferred Outflows and Deferred Inflows of Resources** – Gains and losses related to changes in net OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

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

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
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All other amounts	Expected average remaining service lifetime (EARSL) Separate EARSL periods applied to different employee benefit groups.
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**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2025, the City recognized OPEB expense (income) of (\$6,448). As of fiscal year ended June 30, 2025, the City reported deferred inflows and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
OPEB contributions subsequent to the measurement date	\$ 254,747	\$ -
Net difference between projected and actual experience	331,766	400,798
Net difference between projected and actual investment earnings	14,739	-
Assumption changes	170,533	163,372
Total	<u>\$ 771,785</u>	<u>\$ 564,170</u>

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**3) OTHER INFORMATION (Continued)**

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

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)*** – Of the \$771,785 reported as deferred outflows of resources, \$254,747 is related to contributions subsequent to the June 30, 2024 measurement date and will be recognized as a reduction of the net OPEB Liability during the fiscal year ending June 30, 2026. In addition, other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended <u>June 30,</u>	Deferred Outflows/(Inflows) of Resources
2026	\$ (149,292)
2027	8,556
2028	(44,290)
2029	(14,613)
2030	32,958
Thereafter	119,549

**D) Net Position and Fund Balances**

**Net Position**

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

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

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

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

**3) OTHER INFORMATION (Continued)**

**D) Net Position and Fund Balances (Continued)**

**Fund Balances**

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

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

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

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

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

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

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

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

**Notes to the Financial Statements**  
For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)**

**D) Net Position and Fund Balances (Continued)**

The details of the fund balances as of June 30, 2025 are presented below:

	Governmental				
	General Fund	Capital Projects Fund	Public Facilities Fund	Non-Major Funds	Total Funds
Nonspendable:					
Prepaid items	\$ 107,040	\$ -	\$ -	\$ 593	\$ 107,633
Inventories	5,954	-	-	-	5,954
Land held for resale	439,000	-	-	-	439,000
Due from other funds	183,053	-	-	-	183,053
Loans receivable	1,359	-	-	920,500	921,859
Total Nonspendable	736,406	-	-	921,093	1,657,499
Restricted for:					
Public safety	-	-	-	5,011,294	5,011,294
Community development	-	-	-	505,894	505,894
Public works	-	-	-	4,898,221	4,898,221
Capital projects	-	12,056,112	9,724,627	15,303,991	37,084,730
General government	-	-	-	132,303	132,303
Total Restricted	-	12,056,112	9,724,627	25,851,703	47,632,442
Committed to:					
General contracts	9,667	-	-	-	9,667
Fire equipment and supplies	38,410	-	-	-	38,410
Community development	156,000	-	-	-	156,000
Public works	2,886	-	-	-	2,886
Capital projects	135,200	-	-	-	135,200
Community choice aggregation	100,000	-	-	-	100,000
Subsequent year's budget	223,810	-	-	-	223,810
Recreation programs	131,814	-	-	-	131,814
Self insurance	1,600,012	-	-	-	1,600,012
Library	8,711	-	-	-	8,711
Vehicle replacement	998,379	-	-	-	998,379
Technology	147,006	-	-	-	147,006
Total Committed	3,551,895	-	-	-	3,551,895
Assigned to:					
General contracts	43,214	-	-	-	43,214
Fire equipment and supplies	60,825	-	-	-	60,825
Public works	15,497	-	-	-	15,497
Equipment purchases	2,810	-	-	-	2,810
Recreation programs	56,380	-	-	-	56,380
Other purposes	80,000	-	-	-	80,000
Total Assigned	258,726	-	-	-	258,726
Unassigned	20,111,486	-	-	(117,309)	19,994,177
Total Fund Balances	\$ 24,658,513	\$ 12,056,112	\$ 9,724,627	\$ 26,655,487	\$ 73,094,739



**3) OTHER INFORMATION (Continued)**

**D) Net Position and Fund Balances (Continued)**

**Net Investment in Capital Assets**

Net position that was classified as net investments in capital assets as of June 30, 2025, was determined as follows:

	<b>Governmental Activities</b>
Capital assets, net of accumulated depreciation	\$ 179,936,760
Less capital related debt balance:	
Outstanding principal balance of the notes and loan payable	(4,670,827)
Outstanding principal balance of lease payable	(1,255,316)
Outstanding principal balance of subscriptions payable	(400,292)
Less retainage payable	(112,012)
Less gain on refunding of capital-related debt	<u>(510,955)</u>
<b>Net investment in capital assets</b>	<b><u>\$ 172,987,358</u></b>

**E) Commitments and Contingencies**

The City participates in several Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government.

As of June 30, 2025, the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

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

**F) Tax Abatements**

The City negotiates tax abatement agreements on an individual basis. The City has one tax abatement agreement as of June 30, 2025.

In June 2013, the City Council adopted a resolution to abate 50 percent of local sales tax revenues actually received by the City to a supply company for maintaining a permanent business location within the City limits. The abatement amount was \$2,512,980 during fiscal year 2025.

**Notes to the Financial Statements**

For the year ended June 30, 2025

**3) OTHER INFORMATION (Continued)****G) Successor Agency Long-term Obligations**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Santee that previously had reported a community development commission (redevelopment agency) within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 4-2012. However, the City Council, on January 25, 2012, designated the San Diego County Housing Authority to assume all housing assets and functions of the former Redevelopment Agency. As of June 30, 2014, a portion of the assets have been accepted and transferred to the County Housing Authority. The remaining assets are currently reported in the Successor Agency Private Purpose Trust Fiduciary Fund. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Fiduciary Fund:</b>					
Bonds Payable	\$ 32,845,000	\$ -	\$ (1,860,000)	\$ 30,985,000	\$ 1,960,000
Premium on Bonds	3,668,283	-	(214,728)	3,453,555	214,728
Total	<u>\$ 36,513,283</u>	<u>\$ -</u>	<u>\$ (2,074,728)</u>	<u>\$ 34,438,555</u>	<u>\$ 2,174,728</u>

### 3) OTHER INFORMATION (Continued)

#### G) Successor Agency Long-term Obligations (Continued)

##### Tax Allocation Bonds

##### **2016 Tax Allocation Bonds Series A and Series B**

On November 8, 2016 the Community Development Commission Successor Agency of the City of Santee issued 2016 Tax Allocation Refunding Bonds Series A in the amount of \$39,125,000 and 2016 Tax Allocation Refunding Bonds Series B in the amount of \$5,445,000 respectively. Proceeds from the 2016 Bonds Series A and Series B were used to refund the 2005 Tax Allocation Bonds and advance refund the 2011 Series A and Series B Tax Allocation Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,780,080, which is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations through the year 2041. The balance at June 30, 2025, net of amortization is \$3,453,555.

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

The 2016 Series B consist of \$5,445,000 of serial bonds. The 2016 Series B Tax Allocation Bonds matured in August 2020 and therefore are no longer displayed.

As of June 30, 2025, the outstanding balance on the 2016 Series A Tax Allocation Bonds was \$30,985,000.

Annual debt service requirements to maturity on this debt at June 30, 2025 are as follows:

Year Ending June 30,	2016 Series A	
	Principal	Interest
2026	\$ 1,960,000	\$ 1,308,681
2027	2,055,000	1,208,306
2028	2,155,000	1,103,056
2029	2,265,000	992,556
2030	2,380,000	876,431
2031-2035	11,810,000	2,531,147
2036-2040	5,775,000	923,541
2041-2042	2,585,000	88,003
Total	<u>\$ 30,985,000</u>	<u>\$ 9,031,721</u>

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**3) OTHER INFORMATION (Continued)**

**G) Successor Agency Long-term Obligations (Continued)**

***Contingencies***

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

**H) Joint Powers Authorities**

The City is a member of three joint powers authorities at June 30, 2025. Complete financial statements for Heartland Fire Training Authority and Heartland Communications Facility Authority may be obtained at the City of El Cajon, Finance Department, 200 Civic Center Way, El Cajon, California 92020. Complete financial statements for the Santee-Lakeside Emergency Medical Services Authority may be obtained at the City of Santee, Finance Department, 10601 Magnolia Ave, Santee CA 92071. A summary of each joint powers authority, the City's participation and any related party transactions with each authority are as follows:

**Heartland Fire Training Authority**

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

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

Contract agencies have the ability to utilize all of the available resources but are not voting members. The Barona Fire Protection District and Viejas Fire Department contract with HFTA, which allows their personnel to participate in training activities offered by HFTA. For fiscal year 2024-25, the JPA members included the Cities of El Cajon, La Mesa, Lemon Grove, and Santee; and the following fire protection districts; Alpine, Bonita-Sunnyside, Lakeside, San Miguel, Viejas, and Barona.

**3) OTHER INFORMATION (Continued)****H) Joint Powers Authorities (Continued)**

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2025. Upon dissolution of HTFA, all surplus money and property of HTFA would be conveyed or distributed to each member in proportion to all funds provided by HTFA by that member on behalf of that member during its membership.

**Heartland Communications Facility Authority**

The purpose of the Heartland Communication Facility Authority (HCFA) is to equip, maintain, operate and staff a facility to provide emergency call receiving and dispatching services to member agencies. HCFA was created on June 25, 1986, by a Joint Powers Agreement (JPA) between several cities and fire protection districts in San Diego County. For fiscal year 2024-25, the JPA members included: Cities of El Cajon, La Mesa, Lemon Grove, and Santee, and the following fire protection districts, Alpine, Bonita-Sunnyside, Lakeside, Viejas, and San Miguel Fire Department. One elected official from each participating entity is appointed to HCFA as a board member of the commission. The commission approves an annual budget based on the costs of operating the Authority. Additionally, the Barona Fire Protection District and Sycuan Fire Department contract with HCFA for emergency call receiving and dispatching.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2025. Upon dissolution of HCFA, all surplus money and property of HCFA would be conveyed or distributed to each member in proportion to all funds provided to HCFA by that member on behalf of that member during its membership.

**Santee Lakeside Emergency Medical Services Authority (SLEMSA)**

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

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

**Notes to the Financial Statements**

For the year ended June 30, 2025

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**3) OTHER INFORMATION (Continued)**

**I) Debt Without Government Commitment**

Special Tax Bonds

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

In June 2019 Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("District") issued 2019 Special Tax Bonds in the amount of \$8,665,000. These bonds were issued under the provisions of the Mello-Roos Community Facilities Act of 1982 and were used to finance public improvements within the District. The bonds are payable from the proceeds of annual special taxes levied on property located within the District and are secured by a pledge of the special tax revenues and certain funds pledged under the fiscal agent agreement. At June 30, 2025, the outstanding balance of the bonds was \$7,715,000.

**J) Deficit Fund Balances**

The following funds have deficits in fund balance or net position at June 30, 2025:

<u>Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Grant Fund	\$ (23,156)
Capital Projects Fund:	
TransNet	(94,153)
Fiduciary Funds:	
Private Purpose Trust Fund	(27,423,154)

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

**K) Prior Period Restatements**

As a result of the implementation of GASB 100, the City is required to restate its June 30, 2024, governmental funds balance. The American Rescue Plan Act fund was previously reported as major fund and did not qualify as a major fund for the year ending June 30, 2025. This qualifies as a change to or within the financial reporting entity under the guidance of GASB 100. The reclassification of these funds do not result in any changes to the government-wide financial statements' net position. Changes in fund balance as of June 30, 2025 were \$0, as fund balance as of June 30, 2024 was \$0.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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

**Miscellaneous Plan**

Measurement Date	Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2015	0.41368%	\$ 11,349,237	\$ 5,441,575	208.57%	77.28%
6/30/2016	0.39934%	13,872,609	5,666,347	244.82%	73.03%
6/30/2017	0.40515%	15,971,346	5,571,435	286.66%	71.64%
6/30/2018	0.41577%	15,669,180	5,591,109	280.25%	72.71%
6/30/2019	0.42564%	17,044,581	6,160,160	276.69%	70.85%
6/30/2020	0.43584%	18,384,092	6,499,114	282.87%	69.88%
6/30/2021	0.59514%	11,300,620	6,821,749	165.66%	90.49%
6/30/2022	0.45617%	21,345,165	6,717,966	317.73%	78.19%
6/30/2023	0.45299%	22,651,526	7,416,234	305.43%	77.97%
6/30/2024	0.45883%	22,191,936	8,431,370	263.21%	79.91%

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

# City of Santee

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

### Safety Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2015	0.36819%	\$ 15,171,247	\$ 4,601,259	329.72%	74.99%
6/30/2016	0.40708%	21,083,383	4,646,375	453.76%	70.87%
6/30/2017	0.40485%	24,190,399	4,875,857	496.13%	70.93%
6/30/2018	0.41831%	24,544,734	5,214,863	470.67%	72.39%
6/30/2019	0.42499%	26,530,147	5,223,569	507.89%	73.25%
6/30/2020	0.43465%	28,958,204	5,633,332	514.05%	72.59%
6/30/2021	0.53914%	18,921,051	5,750,086	329.06%	86.61%
6/30/2022	0.48309%	33,196,054	5,724,007	579.94%	75.52%
6/30/2023	0.46885%	35,046,450	5,641,555	621.22%	74.87%
6/30/2024	0.46923%	34,210,901	6,377,775	536.41%	76.66%

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

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

**Miscellaneous Plan**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2016	\$ 576,328	\$ (576,328)	\$ -	\$ 5,666,347	10.17%
6/30/2017	618,112	(618,112)	-	5,571,435	11.09%
6/30/2018	574,812	(574,812)	-	5,591,109	10.28%
6/30/2019	627,561	(627,561)	-	6,160,160	10.19%
6/30/2020	699,557	(699,557)	-	6,499,114	10.76%
6/30/2021	791,629	(791,629)	-	6,821,749	11.60%
6/30/2022	2,120,714	(2,320,714)	(200,000)	6,717,966	31.57%
6/30/2023	2,334,069	(2,584,069)	(250,000)	7,416,234	31.47%
6/30/2024	2,425,188	(2,675,188)	(250,000)	8,431,370	28.76%
6/30/2025	2,739,866	(2,989,866)	(250,000)	9,122,560	30.03%

**Notes to Schedule:**

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

# City of Santee

## Schedule of the Employer Contributions CalPERS Safety Pension Plan Last Ten Years

### Safety Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2016	\$ 943,856	\$ (943,856)	\$ -	\$ 4,646,375	20.31%
6/30/2017	978,484	(978,484)	-	4,875,857	20.07%
6/30/2018	1,026,156	(1,026,156)	-	5,214,863	19.68%
6/30/2019	1,050,107	(1,050,107)	-	5,223,569	20.10%
6/30/2020	1,176,227	(1,176,227)	-	5,633,332	20.88%
6/30/2021	1,243,503	(1,243,503)	-	5,750,086	21.63%
6/30/2022	3,337,423	(3,637,423)	(300,000)	5,724,007	58.31%
6/30/2023	3,568,467	(3,918,467)	(350,000)	5,641,555	63.25%
6/30/2024	3,778,235	(4,128,235)	(350,000)	6,377,775	59.24%
6/30/2025	4,272,724	(4,622,724)	(350,000)	6,835,637	62.51%

### Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

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# City of Santee

## Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Years<sup>(1)</sup>

Measurement Period June 30,	2024	2023	2022	2021
Total OPEB Liability Service cost				
Service cost	\$ 97,734	\$ 72,904	\$ 70,780	\$ 76,770
Interest on the total OPEB liability	183,466	144,772	144,584	168,211
Actual and expected experience difference	-	421,666	-	(283,281)
Changes in assumptions	(43,829)	-	-	73,449
Changes in benefit terms	-	-	-	-
Benefit payments	(221,036)	(223,537)	(205,138)	(209,412)
Net change in total OPEB liability	16,335	593,511	10,226	(174,263)
Total OPEB liability - beginning	3,045,264	2,451,753	2,441,527	2,615,790
Total OPEB liability - ending (a)	3,061,599	3,045,264	2,451,753	2,441,527
Plan Fiduciary Net Position				
Contribution - employer	221,036	223,537	205,138	359,412
Net investment income	213,740	117,826	(283,633)	446,214
Benefit payments	(221,036)	(223,537)	(205,138)	(209,412)
Administrative expense	(635)	(533)	(537)	(617)
Net change in plan fiduciary net position	213,105	117,293	(284,170)	595,597
Plan fiduciary net position - beginning	1,952,770	1,835,477	2,119,647	1,524,050
Plan fiduciary net position - ending (b)	2,165,875	1,952,770	1,835,477	2,119,647
Net OPEB liability - ending (a)-(b)	\$ 895,724	\$ 1,092,494	\$ 616,276	\$ 321,880
Covered-employee payroll <sup>(2)</sup>	\$ 17,007,846	\$ 15,490,148	\$ 15,126,269	\$ 14,957,695
Net OPEB liability as a percentage of covered-employee payroll	5.27%	7.05%	4.07%	2.15%

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

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

(Continued)

2020	2019	2018	2017
\$ 74,534	\$ 83,176	\$ 139,120	\$ 150,770
165,977	200,133	142,834	120,577
-	-	-	-
-	(572,022)	(866,987)	(258,131)
-	(19,291)	(129,392)	-
(207,352)	(210,317)	(183,580)	(188,513)
33,159	(518,321)	(898,005)	(175,297)
2,582,631	3,100,952	3,998,957	4,174,254
<u>2,615,790</u>	<u>2,582,631</u>	<u>3,100,952</u>	<u>3,998,957</u>
707,352	710,317	583,580	188,513
62,311	60,639	1,793	-
(207,352)	(210,317)	(183,580)	(188,513)
(565)	(127)	(1)	-
<u>561,746</u>	<u>560,512</u>	<u>401,792</u>	<u>-</u>
962,304	401,792	-	-
<u>1,524,050</u>	<u>962,304</u>	<u>401,792</u>	<u>-</u>
<u>\$ 1,091,740</u>	<u>\$ 1,620,327</u>	<u>\$ 2,699,160</u>	<u>\$ 3,998,957</u>
\$ 14,005,601	\$ 13,811,937	\$ 12,810,026	\$10,190,974
7.80%	11.73%	21.07%	39.24%

# City of Santee

## Schedule of OPEB Contributions Last Ten Years<sup>(1)</sup>

Fiscal Year Ended June 30	2025	2024	2023	2022	2021
Actuarially Determined Contribution (ADC)	\$ 197,267	\$ 82,488	\$ 90,286	\$ 152,319	\$ 164,670
Contributions in relation to the ADC	(254,747)	(221,036)	(223,537)	(205,138)	(359,412)
Contribution deficiency (excess)	<u>\$ (57,480)</u>	<u>\$ (138,548)</u>	<u>\$ (133,251)</u>	<u>\$ (52,819)</u>	<u>\$ (194,742)</u>
Covered-employee payroll	\$ 15,609,204	\$ 17,007,846	\$ 15,490,148	\$ 15,126,269	\$ 14,957,695
Contributions as a percentage of covered-employee payroll	1.30%	1.30%	1.44%	1.36%	2.40%

### Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2025 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Amortization Period	30 years closed
Asset Valuation Method	Market value of assets
Inflation	2.50% per annum
Healthcare cost-trend rates	6.50% in 2025, decreasing to 3.9% in 2075
Salary increase	3.00%
Investment Rate of Return	6.25% per annum.
Retirement age	From 50 to 75
Discount Rate	6.25% As of June 30, 2023
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MW Scale 2022 generationally

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



(Continued)

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2020	2019	2018
\$ 200,039	\$ 304,439	\$ 297,863
(707,352)	(710,317)	(583,580)
<u>\$ (507,313)</u>	<u>\$ (405,878)</u>	<u>\$ (285,717)</u>
 \$ 14,005,601	 \$ 13,811,937	 \$ 12,810,026
 5.05%	 5.14%	 4.56%

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budget and Actual**

**General Fund**

For the year ended June 30, 2025

	Budgeted Amounts			Variance with
	Original Budget	Final Budget	Actual	Final Budget
REVENUES				
Property taxes	\$ 25,999,230	\$ 26,234,120	\$ 26,393,617	\$ 159,497
Sales taxes	19,945,830	19,403,250	19,647,891	244,641
Other taxes	5,173,100	4,987,910	5,137,019	149,109
Special assessments	1,114,600	1,134,900	1,140,513	5,613
Intergovernmental	349,920	675,000	1,117,041	442,041
Licenses and permits	200,550	216,400	208,703	(7,697)
Fines and forfeitures	181,050	219,050	229,533	10,483
Charges for services	10,364,530	4,282,340	4,288,165	5,825
Investment earnings	525,700	1,033,350	1,637,354	604,004
Other revenue	659,470	791,630	948,727	157,097
Total Revenues	64,513,980	58,977,950	60,748,563	1,770,613
EXPENDITURES				
Current:				
City Council	555,170	564,050	552,744	11,306
City Manager	1,455,400	1,679,350	1,553,669	125,681
City Attorney	893,530	968,530	959,107	9,423
City Clerk	783,160	794,950	567,484	227,466
Information technology	1,260,026	1,365,736	1,136,686	229,050
Finance	1,748,720	1,770,990	1,565,295	205,695
Human resources & risk management	1,982,235	2,050,705	1,777,626	273,079
Law enforcement	17,843,490	17,843,490	17,763,022	80,468
Fire	22,379,847	23,297,387	21,983,750	1,313,637
Animal control	464,100	464,100	464,088	12
Planning & building	3,237,154	3,449,311	2,631,680	817,631
Engineering	2,461,098	2,519,860	2,331,184	188,676
Community services	7,405,071	7,546,591	6,928,356	618,235
Non-departmental	3,120,000	2,416,820	3,004,377	(587,557)
Debt Service:				
Principal retirement	236,050	236,050	236,048	2
Interest	38,830	38,830	38,832	(2)
Total Expenditures	65,863,880	67,006,750	63,493,947	3,512,803
Excess (Deficiency) of Revenues Over Expenditures	(1,349,900)	(8,028,800)	(2,745,384)	5,283,416
OTHER FINANCING SOURCES (USES)				
Lease acquisition	-	-	148,108	148,108
Subscription acquisition	-	-	263,419	263,419
Transfers in	43,200	6,715,201	6,497,999	(217,202.00)
Transfers out	(344,250)	(1,054,251)	(954,182)	100,069
Total Other Financing Sources (Uses)	(301,050)	5,660,950	5,955,344	294,394
Net Change in Fund Balance	(1,650,950)	(2,367,850)	3,209,960	5,577,810
Fund Balance, Beginning of Year	21,448,553	21,448,553	21,448,553	-
Fund Balance, End of Year	\$ 19,797,603	\$ 19,080,703	\$ 24,658,513	\$ 5,577,810

**Notes to Required Supplementary Information**

For the year ended June 30, 2025

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**Budgetary Information**

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

1. Public hearings are conducted to obtain public comments.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund, certain Special revenue Funds, and Capital Projects Funds. However, no budget is prepared for the Asset Seizure, Paramedic Equipment, and HOME Investment Partnership Special Revenue Funds.
3. Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles. A one-year operating budget was adopted on June 26, 2024 for the 2024-25 fiscal year. A multi-year Capital Improvement Program Budget was adopted that authorized the capital project budgets for fiscal years 2024 through 2028. Budgetary comparisons are not presented for Capital Project Funds. Because of the long- term nature of projects, "annual" budget comparisons are not considered meaningful, and accordingly, are not included in the accompanying financial statements.
4. Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the fund level. The City Manager is authorized to transfer amounts within departmental budgets. Transfers of appropriations between departments, or any increase in total appropriations of a fund must be approved by the City Council. The final budget expenditure amounts represent original appropriations adjusted by prior year encumbrances, designated amounts carried forward, and supplemental appropriations adjustments approved by City Council during the year. For the General Fund, during 2024-25, the City made prior year encumbrance adjustments of \$831,043, designated carryforward adjustments of \$1,269,997, and supplemental appropriations totaling \$1,142,870. Budget appropriations for the various governmental funds become effective each July 1. Unexpended lapse at year-end unless specifically authorized for carryforward.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excesses must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in any year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2025, based on the calculations by City management, proceeds of taxes did not exceed the appropriations limit.

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# **SUPPLEMENTARY INFORMATION**

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**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
June 30, 2025

*(with summarized comparative information for prior year)*

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds	
			2025	2024
<b>ASSETS</b>				
Cash and investments	\$ 10,494,584	\$ 15,123,871	\$ 25,618,455	\$ 22,779,944
Accounts receivable	37,978	-	37,978	39,947
Loans receivable	920,500	-	920,500	920,500
Interest receivable	134,477	152,697	287,174	217,159
Due from other governments	1,080,473	-	1,080,473	1,231,311
Prepaid items	593	-	593	542
Total Assets	<u>\$ 12,668,605</u>	<u>\$ 15,276,568</u>	<u>\$ 27,945,173</u>	<u>\$ 25,189,403</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 627,646	\$ -	\$ 627,646	\$ 465,970
Accrued salaries and benefits	564	-	564	701
Accrued liabilities	9	-	9	505
Advances from other governments	260,932	-	260,932	205,798
Due to other funds	88,900	94,153	183,053	208,878
Advances from other funds	1,359	-	1,359	6,413
Total Liabilities	<u>979,410</u>	<u>94,153</u>	<u>1,073,563</u>	<u>888,265</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - intergovernmental	216,123	-	216,123	230,316
Total Deferred Inflows of Resources	<u>216,123</u>	<u>-</u>	<u>216,123</u>	<u>230,316</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	921,093	-	921,093	542
Restricted	10,575,135	15,276,568	25,851,703	24,214,849
Unassigned	<u>(23,156)</u>	<u>(94,153)</u>	<u>(117,309)</u>	<u>(144,569)</u>
Total Fund Balances	<u>11,473,072</u>	<u>15,182,415</u>	<u>26,655,487</u>	<u>24,070,822</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,668,605</u>	<u>\$ 15,276,568</u>	<u>\$ 27,945,173</u>	<u>\$ 25,189,403</u>

# City of Santee

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

### Non-Major Governmental Funds

For the year ended June 30, 2025

*(with summarized comparative information for prior year)*

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds	
			2025	2024
<b>REVENUES</b>				
Property taxes	\$ 971,825	\$ -	\$ 971,825	\$ 936,305
Other taxes	3,417,036	-	3,417,036	3,446,807
Special assessments	2,933,486	-	2,933,486	2,485,937
Intergovernmental	2,141,607	2,204,433	4,346,040	3,936,937
Developer fees	-	1,096,795	1,096,795	3,422,869
Investment earnings	516,144	696,485	1,212,629	1,045,160
Other revenue	4,728,595	-	4,728,595	3,962,351
Total Revenues	14,708,693	3,997,713	18,706,406	19,236,366
<b>EXPENDITURES</b>				
Current:				
General government	432,546	-	432,546	169,627
Public safety	380,590	-	380,590	5,530,004
Public works	3,588,203	-	3,588,203	3,553,401
Community development	123,202	-	123,202	126,806
Debt Service:				
Principal retirement	-	621,250	621,250	592,500
Interest	-	182,684	182,684	216,907
Total Expenditures	4,524,541	803,934	5,328,475	10,189,245
Excess of Revenue Over Expenditures	10,184,152	3,193,779	13,377,931	9,047,121
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	61,928	-	61,928	58,593
Transfers out	(9,030,742)	(1,824,452)	(10,855,194)	(6,710,660)
Total Other Financing Sources (Uses)	(8,968,814)	(1,824,452)	(10,793,266)	(6,652,067)
Net Change in Fund Balance	1,215,338	1,369,327	2,584,665	2,395,054
Fund Balance, previously reported	10,257,734	13,813,088	24,070,822	28,896,855
Adjustment - change from nonmajor to major	-	-	-	(7,221,087)
Fund Balance, Beginning of Year	10,257,734	13,813,088	24,070,822	21,675,768
Fund Balance, End of Year	\$ 11,473,072	\$ 15,182,415	\$ 26,655,487	\$ 24,070,822



**Non-Major Special Revenue Fund Descriptions**  
For the year ended June 30, 2025

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**Special Revenue Funds**

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

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

**Asset Seizure Fund** – is used to account for forfeited property and asset revenue which must be used for law enforcement purposes. There was no budget adopted for this fund in fiscal year 2024-25.

**Paramedic Equipment Fund** – is used to account for donations to be utilized specifically for paramedic equipment purchases. There was a budget addition for this fund in fiscal year 2024-25.

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

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

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

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

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

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

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

**Non-Major Special Revenue Fund Descriptions**

For the year ended June 30, 2025

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**Special Revenue Funds (Continued)**

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

**HOME Investment Partnership Fund** – is used to account for Federal HOME loan grants received from the U.S. Department of Housing and Urban Development restricted for low-income housing purposes. There was no budget adopted for this fund in fiscal year 2024-25.

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

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

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

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

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

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

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

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

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

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

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# City of Santee

## Combining Balance Sheet

### Non-Major Special Revenue Funds

June 30, 2025

(with summarized comparative information for prior year)

	Supplemental Law Enforcement	Asset Seizure	Paramedic Equipment	Highway 52 Coalition
<b>ASSETS</b>				
Cash and investments	\$ 144,767	\$ 3,093	\$ 15,848	\$ 5,500
Accounts receivable	-	-	-	4,500
Loans receivable	-	-	-	-
Interest receivable	1,663	31	157	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>\$ 146,430</u>	<u>\$ 3,124</u>	<u>\$ 16,005</u>	<u>\$ 10,000</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 26,883	\$ -	\$ -	\$ 10,000
Accrued salaries and benefits	-	-	-	-
Accrued liabilities	-	-	-	-
Advance from other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>26,883</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	-	-	-	-
Restricted	119,547	3,124	16,005	-
Unassigned	-	-	-	-
Total Fund Balances	<u>119,547</u>	<u>3,124</u>	<u>16,005</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 146,430</u>	<u>\$ 3,124</u>	<u>\$ 16,005</u>	<u>\$ 10,000</u>

(Continued)

PEG Fees	CASp Certification and Training	Gas Tax	SAFE Program	Gas Tax - Road Maint and Rehab	Zone 2 Flood Control District	Community Development Block Grant
\$ -	\$ 74,443	\$ 610,227	\$ 22,413	\$ 841,858	\$ 264,917	\$ -
27,419	4	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,093	225	7,080	3,690	-
-	-	290,134	-	286,870	5,177	116,312
-	-	-	-	-	-	-
<u>\$ 27,419</u>	<u>\$ 74,447</u>	<u>\$ 906,454</u>	<u>\$ 22,638</u>	<u>\$ 1,135,808</u>	<u>\$ 273,784</u>	<u>\$ 116,312</u>
\$ -	\$ 240	\$ 236,101	\$ -	\$ -	\$ 45,687	\$ 10,181
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	88,900
-	-	-	-	-	-	-
<u>-</u>	<u>240</u>	<u>236,101</u>	<u>-</u>	<u>-</u>	<u>45,687</u>	<u>99,081</u>
-	4	-	-	-	-	-
-	4	-	-	-	-	-
-	-	-	-	-	-	-
27,419	74,203	670,353	22,638	1,135,808	228,097	17,231
-	-	-	-	-	-	-
<u>27,419</u>	<u>74,203</u>	<u>670,353</u>	<u>22,638</u>	<u>1,135,808</u>	<u>228,097</u>	<u>17,231</u>
<u>\$ 27,419</u>	<u>\$ 74,447</u>	<u>\$ 906,454</u>	<u>\$ 22,638</u>	<u>\$ 1,135,808</u>	<u>\$ 273,784</u>	<u>\$ 116,312</u>

# City of Santee

## Combining Balance Sheet Non-Major Special Revenue Funds June 30, 2025

(with summarized comparative information for prior year)

	HOME Investment Partnership	CFD No. 2015-1	CFD No. 2017-2	Town Center Landscape Maintenance
<b>ASSETS</b>				
Cash and investments	\$ 226,054	\$ 9,933	\$ 129,907	\$ 560,752
Accounts receivable	-	-	-	-
Loans receivable	920,500	-	-	-
Interest receivable	2,256	100	2,168	5,649
Due from other governments	-	-	227	497
Prepaid items	-	-	-	-
Total Assets	<u>\$ 1,148,810</u>	<u>\$ 10,033</u>	<u>\$ 132,302</u>	<u>\$ 566,898</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,508	\$ -	\$ 20,285
Accrued salaries and benefits	-	-	-	-
Accrued liabilities	-	-	-	-
Advance from other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>2,508</u>	<u>-</u>	<u>20,285</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	920,500	-	-	-
Restricted	228,310	7,525	132,302	546,613
Unassigned	-	-	-	-
Total Fund Balances	<u>1,148,810</u>	<u>7,525</u>	<u>132,302</u>	<u>546,613</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,148,810</u>	<u>\$ 10,033</u>	<u>\$ 132,302</u>	<u>\$ 566,898</u>

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(Continued)

Santee Landscape Maintenance	Street Lighting Tax	Roadway Lighting District	Mobile Home Park Assessment	Grant Fund	Emergency Medical Services	American Rescue Plan Act (formerly major)
\$ 196,873	\$ 1,467,723	\$ 657,955	\$ 185,020	\$ 172,182	\$ 4,769,748	\$ 135,371
-	4,526	1,529	-	-	-	-
-	-	-	-	-	-	-
2,051	14,704	6,796	1,826	-	79,988	-
272	4,306	1,478	-	338,177	37,023	-
-	-	-	593	-	-	-
<u>\$ 199,196</u>	<u>\$ 1,491,259</u>	<u>\$ 667,758</u>	<u>\$ 187,439</u>	<u>\$ 510,359</u>	<u>\$ 4,886,759</u>	<u>\$ 135,371</u>
\$ 11,072	\$ 13,869	\$ 38,671	\$ 128	\$ 154,132	\$ -	\$ 57,889
-	-	-	564	-	-	-
-	-	-	-	9	-	-
-	-	-	-	183,450	-	77,482
-	-	-	-	-	-	-
1,359	-	-	-	-	-	-
<u>12,431</u>	<u>13,869</u>	<u>38,671</u>	<u>692</u>	<u>337,591</u>		<u>135,371</u>
-	4,526	1,529	-	195,924	14,140	-
-	4,526	1,529	-	195,924	14,140	-
-	-	-	593	-	-	-
186,765	1,472,864	627,558	186,154	-	4,872,619	-
-	-	-	-	(23,156)	-	-
<u>186,765</u>	<u>1,472,864</u>	<u>627,558</u>	<u>186,747</u>	<u>(23,156)</u>	<u>4,872,619</u>	<u>-</u>
<u>\$ 199,196</u>	<u>\$ 1,491,259</u>	<u>\$ 667,758</u>	<u>\$ 187,439</u>	<u>\$ 510,359</u>	<u>\$ 4,886,759</u>	<u>\$ 135,371</u>

# City of Santee

## Combining Balance Sheet Non-Major Special Revenue Funds June 30, 2025

(with summarized comparative information for prior year)

(Concluded)

	Total Non-Major Special Revenue Funds	
	2025	2024
<b>ASSETS</b>		
Cash and investments	\$ 10,494,584	\$ 8,977,488
Accounts receivable	37,978	39,947
Loans receivable	920,500	920,500
Interest receivable	134,477	102,315
Due from other governments	1,080,473	1,231,311
Prepaid items	593	542
Total Assets	<u>\$ 12,668,605</u>	<u>\$ 11,272,103</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 627,646	\$ 465,970
Accrued salaries and benefits	564	701
Accrued liabilities	9	505
Advance from other governments	260,932	205,798
Due to other funds	88,900	104,666
Advances from other funds	1,359	6,413
Total Liabilities	<u>979,410</u>	<u>784,053</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues - intergovernmental	216,123	230,316
Total Deferred Inflows of Resources	<u>216,123</u>	<u>230,316</u>
<b>FUND BALANCES (DEFICIT)</b>		
Nonspendable	921,093	542
Restricted	10,575,135	10,297,549
Unassigned	(23,156)	(40,357)
Total Fund Balances	<u>11,473,072</u>	<u>10,257,734</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,668,605</u>	<u>\$ 11,272,103</u>



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# City of Santee

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

### Non-Major Special Revenue Funds

For the year ended June 30, 2025

*(with summarized comparative information for prior year)*

	Supplemental Law Enforcement	Asset Seizure	Paramedic Equipment	Highway 52 Coalition
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental	194,663	-	-	-
Investment earnings	6,974	142	780	-
Other revenues	-	-	5,166	18,000
Total Revenues	<u>201,637</u>	<u>142</u>	<u>5,946</u>	<u>18,000</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	175,000	-	6,750	-
Public works	-	-	-	60,181
Community development	-	-	-	-
Total Expenditures	<u>175,000</u>	<u>-</u>	<u>6,750</u>	<u>60,181</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,637</u>	<u>142</u>	<u>(804)</u>	<u>(42,181)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	42,181
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,181</u>
Net Change in Fund Balances	26,637	142	(804)	-
Fund Balances, Beginning of Year	92,910	2,982	16,809	-
Fund Balances (Deficit), End of Year	<u>\$ 119,547</u>	<u>\$ 3,124</u>	<u>\$ 16,005</u>	<u>\$ -</u>

(Continued)

PEG Fees	CASp Certification and Training	Gas Tax	SAFE Program	Gas Tax - Road Maint and Rehab	Zone 2 Flood Control District	Community Development Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517,722	\$ -
113,137	-	1,675,995	-	1,627,90	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	304,465
-	-	24,989	1,069	25,460	14,917	(1,778)
-	9,342	1,267	-	-	-	-
113,137	9,342	1,702,251	1,069	1,653,364	532,639	302,687
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	925	1,467,746	4,908	-	612,668	-
-	-	-	-	-	-	123,202
-	925	1,467,746	4,908	-	612,668	123,202
113,137	8,417	234,505	(3,839)	1,653,364	(80,029)	179,485
-	-	-	-	-	-	-
(115,127)	-	(19,747)	-	(1,634,882)	-	(121,897)
(115,127)	-	(19,747)	-	(1,634,882)	-	(121,897)
(1,990)	8,417	214,758	(3,839)	18,482	(80,029)	57,588
29,409	65,786	455,595	26,477	1,117,326	308,126	(40,357)
\$ 27,419	\$ 74,203	\$ 670,353	\$ 22,638	\$ 1,135,808	\$ 228,097	\$ 17,231

# City of Santee

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

### Non-Major Special Revenue Funds

For the year ended June 30, 2025

*(with summarized comparative information for prior year)*

	Home Investment Partnership	CFD No. 2015-1	CFD No. 2017-2	Town Center Landscape Maintenance
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	2,017	154,835	320,414
Intergovernmental	-	-	-	-
Investment earnings	10,386	421	7,077	23,255
Other revenues	-	-	-	-
Total Revenues	10,386	2,438	161,912	343,669
<b>EXPENDITURES</b>				
Current:				
General government	-	-	134,406	-
Public safety	-	-	-	-
Public works	-	2,832	-	308,579
Community development	-	2,832	-	-
Total Expenditures	-	-	134,406	308,579
Excess (Deficiency) of Revenues Over Expenditures	10,386	(394)	27,506	35,090
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	19,747
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	19,747
Net Change in Fund Balances	10,386	(394)	27,506	54,837
Fund Balances, Beginning of Year	1,138,424	7,919	104,796	491,776
Fund Balances (Deficit), End of Year	\$ 1,148,810	\$ 7,525	\$ 132,302	\$ 546,613

(Continued)

Santee Landscape Maintenance	Street Lighting Tax	Roadway Lighting District	Mobile Home Park Assessment	Grant Fund	Emergency Medical Services	American Rescue Plan Act (formerly major)
\$ -	\$ 454,103	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
115,123	-	410,548	55,449	-	1,875,100	-
-	-	-	-	326,351	-	1,316,128
8,668	62,336	28,687	8,045	-	294,716	-
-	11,764	10,216	-	-	4,672,840	-
<u>123,791</u>	<u>528,203</u>	<u>449,451</u>	<u>63,494</u>	<u>326,351</u>	<u>6,842,656</u>	<u>1,316,128</u>
-	-	-	35,760	-	-	262,380
-	-	-	-	-	198,840	-
119,472	220,651	440,796	-	349,445	-	-
-	-	-	-	-	-	-
<u>119,472</u>	<u>220,651</u>	<u>440,796</u>	<u>35,760</u>	<u>349,445</u>	<u>198,840</u>	<u>262,380</u>
<u>4,319</u>	<u>307,552</u>	<u>8,655</u>	<u>27,734</u>	<u>(23,094)</u>	<u>6,643,816</u>	<u>1,053,748</u>
-	-	-	-	-	-	-
-	-	-	-	(24,844)	(6,060,497)	(1,053,748)
-	-	-	-	(24,844)	(6,060,497)	(1,053,748)
4,319	307,552	8,655	27,734	(47,938)	583,319	-
182,446	1,165,312	618,903	159,013	24,782	4,289,300	-
<u>\$ 186,765</u>	<u>\$ 1,472,864</u>	<u>\$ 627,558</u>	<u>\$ 186,747</u>	<u>\$ (23,156)</u>	<u>\$ 4,872,619</u>	<u>\$ -</u>

# City of Santee

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

### Non-Major Special Revenue Funds

For the year ended June 30, 2025

*(with summarized comparative information for prior year)*

**(Concluded)**

	Total Non-Major Special Revenue Funds	
	2025	2024
<b>REVENUES</b>		
Property taxes	\$ 971,825	\$ 936,305
Other taxes	3,417,036	3,446,807
Special assessments	2,933,486	2,485,937
Intergovernmental	2,141,607	908,651
Investment earnings	516,144	501,010
Other revenues	4,728,595	3,962,351
Total Revenues	<u>14,708,693</u>	<u>12,241,061</u>
<b>EXPENDITURES</b>		
Current:		
General government	432,546	169,627
Public safety	380,590	5,530,004
Public works	3,588,203	3,546,001
Community development	123,202	126,806
Total Expenditures	<u>4,524,541</u>	<u>9,372,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,184,152</u>	<u>2,868,623</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	61,928	58,593
Transfers out	(9,030,742)	(3,192,284)
Total Other Financing Sources (Uses)	<u>(8,968,814)</u>	<u>(3,133,691)</u>
Net Change in Fund Balances	1,215,338	(265,068)
Fund Balances, Beginning of Year	10,257,734	10,522,802
Fund Balances (Deficit), End of Year	<u>\$ 11,473,072</u>	<u>\$ 10,257,734</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
***Budget and Actual***  
**Supplemental Law Enforcement Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 194,663	\$ 94,663
Investment earnings	400	400	6,974	6,574
Total Revenues	<u>100,400</u>	<u>100,400</u>	<u>201,637</u>	<u>101,237</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	175,000	175,000	175,000	-
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net Change in Fund Balance	(74,600)	(74,600)	26,637	101,237
Fund Balance, Beginning of Year	92,910	92,910	92,910	-
Fund Balance, End of Year	<u>\$ 18,310</u>	<u>\$ 18,310</u>	<u>\$ 119,547</u>	<u>\$ 101,237</u>

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Paramedic Equipment Fund For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Investment earnings (loss)	\$ -	\$ -	\$ 780	\$ 780
Other revenues	-	-	5,166	5,166
Total Revenues	-	-	5,946	5,946
<b>EXPENDITURES</b>				
Current:				
Public safety		6,750	6,750	-
Total Expenditures	-	6,750	6,750	-
Net Change in Fund Balances	-	(6,750)	(804)	(5,946)
Fund Balance, Beginning of Year	16,809	16,809	16,809	-
Fund Balance, End of Year	<u>\$ 16,809</u>	<u>\$ 10,059</u>	<u>\$ 16,005</u>	<u>\$ (5,946)</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Highway 52 Coalition Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Other revenues	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,000	1,000	-	1,000
Public works	61,250	61,250	60,181	1,069
Total Expenditures	<u>62,250</u>	<u>62,250</u>	<u>60,181</u>	<u>2,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,250)</u>	<u>(44,250)</u>	<u>(42,181)</u>	<u>2,069</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	44,250	44,250	42,181	(2,069)
Total Other Financing Sources (Uses)	<u>44,250</u>	<u>44,250</u>	<u>42,181</u>	<u>(2,069)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

### PEG Fees Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Other taxes	\$ 145,000	\$ 145,000	\$ 113,137	\$ (31,863)
Total Revenues	<u>145,000</u>	<u>145,000</u>	<u>113,137</u>	<u>(31,863)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>145,000</u>	<u>145,000</u>	<u>113,137</u>	<u>(31,863)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(145,000)</u>	<u>(145,000)</u>	<u>(115,127)</u>	<u>29,873</u>
Total Other Financing Sources (Uses)	<u>(145,000)</u>	<u>(145,000)</u>	<u>(115,127)</u>	<u>29,873</u>
Net Change in Fund Balance	-	-	(1,990)	(1,990)
Fund Balance, Beginning of Year	<u>29,409</u>	<u>29,409</u>	<u>29,409</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 29,409</u>	<u>\$ 29,409</u>	<u>\$ 27,419</u>	<u>\$ (1,990)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**CASp Certification and Training Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Other revenues	\$ 10,000	\$ 10,000	\$ 9,342	\$ (658)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>9,342</u>	<u>(658)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	29,500	29,500	925	28,575
Total Expenditures	<u>29,500</u>	<u>29,500</u>	<u>925</u>	<u>28,575</u>
Net Change in Fund Balance	(19,500)	(19,500)	8,417	27,917
Fund Balance, Beginning of Year	65,786	65,786	65,786	-
Fund Balance, End of Year	<u>\$ 46,286</u>	<u>\$ 46,286</u>	<u>\$ 74,203</u>	<u>\$ 27,917</u>

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

### Gas Tax Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Other taxes	\$ 1,570,900	\$ 1,570,900	\$ 1,675,995	\$ 105,095
Investment earnings	700	700	24,989	24,289
Other revenues	-	-	1,267	1,267
Total Revenues	<u>1,571,600</u>	<u>1,571,600</u>	<u>1,702,251</u>	<u>130,651</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>1,593,890</u>	<u>1,653,990</u>	<u>1,467,746</u>	<u>186,244</u>
Total Expenditures	<u>1,593,890</u>	<u>1,653,990</u>	<u>1,467,746</u>	<u>186,244</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,290)</u>	<u>(82,390)</u>	<u>234,505</u>	<u>316,895</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(25,820)</u>	<u>(25,820)</u>	<u>(19,747)</u>	<u>6,073</u>
Total Other Financing Sources (Uses)	<u>(25,820)</u>	<u>(25,820)</u>	<u>(19,747)</u>	<u>6,073</u>
Net Change in Fund Balance	(48,110)	(108,210)	214,758	322,968
Fund Balance, Beginning of Year	<u>455,595</u>	<u>455,595</u>	<u>455,595</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 407,485</u>	<u>\$ 347,385</u>	<u>\$ 670,353</u>	<u>\$ 322,968</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
***Budget and Actual***  
**SAFE Program Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Investment earnings	\$ 200	\$ 200	\$ 1,069	\$ 869
Total Revenues	<u>200</u>	<u>200</u>	<u>1,069</u>	<u>869</u>
<b>EXPENDITURES</b>				
Current:				
Public works	10,000	10,000	4,908	5,092
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,908</u>	<u>5,092</u>
Net Change in Fund Balance	(9,800)	(9,800)	(3,839)	5,961
Fund Balance, Beginning of Year	26,477	26,477	26,477	-
Fund Balance, End of Year	<u>\$ 16,677</u>	<u>\$ 16,677</u>	<u>\$ 22,638</u>	<u>\$ 5,961</u>

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

### Gas Tax – Road Maintenance and Rehab Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Other taxes	\$ 1,442,720	\$ 1,442,720	\$ 1,627,904	\$ 185,184
Investment earnings	10,000	10,000	25,460	15,460
Total Revenues	<u>1,452,720</u>	<u>1,452,720</u>	<u>1,653,364</u>	<u>200,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,452,720</u>	<u>1,452,720</u>	<u>1,653,364</u>	<u>200,644</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,896,780)</u>	<u>(1,896,780)</u>	<u>(1,634,882)</u>	<u>261,898</u>
Total Other Financing Sources (Uses)	<u>(1,896,780)</u>	<u>(1,896,780)</u>	<u>(1,634,882)</u>	<u>261,898</u>
Net Change in Fund Balance	(444,060)	(444,060)	18,482	462,542
Fund Balance, Beginning of Year	<u>1,117,326</u>	<u>1,117,326</u>	<u>1,117,326</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 673,266</u>	<u>\$ 673,266</u>	<u>\$ 1,135,808</u>	<u>\$ 462,542</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
***Budget and Actual***  
**Zone 2 Flood Control District Fund**  
For the year ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 545,440	\$ 545,440	\$ 517,722	\$ (27,718)
Investment earnings	2,000	2,000	14,917	12,917
Total Revenues	<u>547,440</u>	<u>547,440</u>	<u>532,639</u>	<u>(14,801)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	768,990	768,990	612,668	156,322
Parks and recreation	100	100	-	100
Total Expenditures	<u>769,090</u>	<u>769,090</u>	<u>612,668</u>	<u>156,422</u>
Net Change in Fund Balance	(221,650)	(221,650)	(80,029)	141,621
Fund Balance, Beginning of Year	<u>308,126</u>	<u>308,126</u>	<u>308,126</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 86,476</u>	<u>\$ 86,476</u>	<u>\$ 228,097</u>	<u>\$ 141,621</u>

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

### Community Development Block Grant Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ 350,920	\$ 350,920	\$ 304,465	\$ (46,455)
Investment earnings	-	-	(1,778)	(1,778)
Total Revenues	<u>350,920</u>	<u>350,920</u>	<u>302,687</u>	<u>(48,233)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	<u>140,260</u>	<u>140,260</u>	<u>123,202</u>	<u>17,058</u>
Total Expenditures	<u>140,260</u>	<u>140,260</u>	<u>123,202</u>	<u>17,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>210,660</u>	<u>210,660</u>	<u>179,485</u>	<u>(31,175)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(216,170)</u>	<u>(275,890)</u>	<u>(121,897)</u>	<u>153,993</u>
Total Other Financing Sources (Uses)	<u>(216,170)</u>	<u>(275,890)</u>	<u>(121,897)</u>	<u>153,993</u>
Net Change in Fund Balance	(5,510)	(65,230)	57,588	122,818
Fund Balance, Beginning of Year	<u>(40,357)</u>	<u>(40,357)</u>	<u>(40,357)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (45,867)</u>	<u>\$ (105,587)</u>	<u>\$ 17,231</u>	<u>\$ 122,818</u>



**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**CFD No. 2015-1 Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 1,990	\$ 1,990	\$ 2,017	\$ 27
Investment earnings	40	40	421	381
Total Revenues	<u>2,030</u>	<u>2,030</u>	<u>2,438</u>	<u>408</u>
<b>EXPENDITURES</b>				
Current:				
Public works	3,330	3,430	2,832	598
Total Expenditures	<u>3,330</u>	<u>3,430</u>	<u>2,832</u>	<u>598</u>
Net Change in Fund Balance	(1,300)	(1,400)	(394)	1,006
Fund Balance, Beginning of Year	7,919	7,919	7,919	-
Fund Balance, End of Year	<u>\$ 6,619</u>	<u>\$ 6,519</u>	<u>\$ 7,525</u>	<u>\$ 1,006</u>

## City of Santee

### Schedule of Revenues, Expenditures, and Changes in Fund Balance

#### *Budget and Actual*

#### CFD No. 2017-2 Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 155,110	\$ 155,110	\$ 154,835	\$ (275)
Investment earnings	800	800	7,077	6,277
Total Revenues	<u>155,910</u>	<u>155,910</u>	<u>161,912</u>	<u>6,002</u>
<b>EXPENDITURES</b>				
Current:				
General government	132,460	134,406	134,406	-
Total Expenditures	<u>132,460</u>	<u>134,406</u>	<u>134,406</u>	<u>-</u>
Net Change in Fund Balance	23,450	21,504	27,506	6,002
Fund Balance, Beginning of Year	104,796	104,796	104,796	-
Fund Balance, End of Year	<u>\$ 128,246</u>	<u>\$ 126,300</u>	<u>\$ 132,302</u>	<u>\$ 6,002</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Town Center Landscape Maintenance Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 321,780	\$ 321,780	\$ 320,414	\$ (1,366)
Investment earnings	3,280	3,280	23,255	19,975
Total Revenues	<u>325,060</u>	<u>325,060</u>	<u>343,669</u>	<u>18,609</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>338,000</u>	<u>342,245</u>	<u>308,579</u>	<u>33,666</u>
Total Expenditures	<u>338,000</u>	<u>342,245</u>	<u>308,579</u>	<u>33,666</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,940)</u>	<u>(17,185)</u>	<u>35,090</u>	<u>52,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>25,820</u>	<u>25,820</u>	<u>19,747</u>	<u>(6,073)</u>
Total Other Financing Sources (Uses)	<u>25,820</u>	<u>25,820</u>	<u>19,747</u>	<u>(6,073)</u>
Net Change in Fund Balance	12,880	8,635	54,837	46,202
Fund Balance, Beginning of Year	<u>491,776</u>	<u>491,776</u>	<u>491,776</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 504,656</u>	<u>\$ 500,411</u>	<u>\$ 546,613</u>	<u>\$ 46,202</u>

## City of Santee

### Schedule of Revenues, Expenditures, and Changes in Fund Balance

#### *Budget and Actual*

#### Santee Landscape Maintenance Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 115,770	\$ 115,770	\$ 115,123	\$ (647)
Investment earnings	1,340	1,340	8,668	7,328
Total Revenues	117,110	117,110	123,791	6,681
<b>EXPENDITURES</b>				
Current:				
Public works	129,220	133,465	119,472	13,993
Debt Service:				
Principal retirement	2,770	2,770	-	2,770
Total Expenditures	131,990	136,235	119,472	16,763
Net Change in Fund Balance	(14,880)	(19,125)	4,319	23,444
Fund Balance, Beginning of Year	182,446	182,446	182,446	-
Fund Balance, End of Year	\$ 167,566	\$ 163,321	\$ 186,765	\$ 23,444

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Street Lighting Tax Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes	\$ 467,300	\$ 467,300	\$ 454,103	\$ (13,197)
Investment earnings	20,000	20,000	62,336	42,336
Other revenues	10,000	10,000	11,764	1,764
Total Revenues	<u>497,300</u>	<u>497,300</u>	<u>528,203</u>	<u>30,903</u>
<b>EXPENDITURES</b>				
Current:				
Public works	244,800	244,800	220,651	24,149
Total Expenditures	<u>244,800</u>	<u>244,800</u>	<u>220,651</u>	<u>24,149</u>
Net Change in Fund Balance	252,500	252,500	307,552	55,052
Fund Balance, Beginning of Year	1,165,312	1,165,312	1,165,312	-
Fund Balance, End of Year	<u>\$ 1,417,812</u>	<u>\$ 1,417,812</u>	<u>\$ 1,472,864</u>	<u>\$ 55,052</u>

## City of Santee

### Schedule of Revenues, Expenditures, and Changes in Fund Balance *Budget and Actual* **Roadway Lighting District Fund** For the year ended June 30, 2025

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 413,600	\$ 413,600	\$ 410,548	\$ (3,052)
Investment earnings	4,430	4,430	28,687	24,257
Other revenues	1,000	1,000	10,216	9,216
Total Revenues	<u>419,030</u>	<u>419,030</u>	<u>449,451</u>	<u>30,421</u>
<b>EXPENDITURES</b>				
Current:				
Public works	456,480	460,725	440,796	19,929
Total Expenditures	<u>456,480</u>	<u>460,725</u>	<u>440,796</u>	<u>19,929</u>
Net Change in Fund Balance	(37,450)	(41,695)	8,655	50,350
Fund Balance, Beginning of Year	618,903	618,903	618,903	-
Fund Balance, End of Year	<u>\$ 581,453</u>	<u>\$ 577,208</u>	<u>\$ 627,558</u>	<u>\$ 50,350</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Mobile Home Park Assessment Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 41,000	\$ 41,000	\$ 55,449	\$ 14,449
Investment earnings	1,100	1,100	8,045	6,945
Total Revenues	<u>42,100</u>	<u>42,100</u>	<u>63,494</u>	<u>21,394</u>
<b>EXPENDITURES</b>				
Current:				
General government	28,690	53,510	35,760	17,750
Total Expenditures	<u>28,690</u>	<u>53,510</u>	<u>35,760</u>	<u>17,750</u>
Net Change in Fund Balance	13,410	(11,410)	27,734	39,144
Fund Balance, Beginning of Year	159,013	159,013	159,013	-
Fund Balance, End of Year	<u>\$ 172,423</u>	<u>\$ 147,603</u>	<u>\$ 186,747</u>	<u>\$ 39,144</u>

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

### Grant Fund

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 975,395	\$ 326,351	\$ (649,044)
Total Revenues	-	975,395	326,351	(649,044)
<b>EXPENDITURES</b>				
Current:				
Public works	-	1,284,527	349,445	935,082
Total Expenditures	-	1,284,527	349,445	935,082
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(309,132)	(23,094)	286,038
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(200,000)	(24,844)	175,156
Total Other Financing Sources (Uses)	-	(200,000)	(24,844)	175,156
Net Change in Fund Balance	-	(509,132)	(47,938)	461,194
Fund Balance, Beginning of Year	24,782	24,782	24,782	-
Fund Balance (deficit), End of Year	\$ 24,782	\$ (484,350)	\$ (23,156)	\$ 461,194



**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Emergency Medical Services Fund**  
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Special assessments	\$ 1,471,540	\$ 1,471,540	\$ 1,875,100	\$ 403,560
Investment earnings (loss)	100,000	100,000	294,716	194,716
Other revenues	3,999,940	3,999,940	4,672,840	672,900
Total Revenues	5,571,480	5,571,480	6,842,656	1,271,176
<b>EXPENDITURES</b>				
Current:				
Public safety	6,330,290	198,840	198,840	-
Total Expenditures	6,330,290	198,840	198,840	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(758,810)	5,372,640	6,643,816	1,271,176
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(6,277,750)	(6,060,497)	217,253
Total Other Financing Sources (Uses)	-	(6,277,750)	(6,060,497)	217,253
Net Change in Fund Balance	(758,810)	(905,110)	583,319	1,488,429
Fund Balance, Beginning of Year	4,289,300	4,289,300	4,289,300	-
Fund Balance, End of Year	\$ 3,530,490	\$ 3,384,190	\$ 4,872,619	\$ 1,488,429

# City of Santee

## Schedule of Revenues, Expenditures, and Changes in Fund Balance

### Budget and Actual

### American Rescue Plan Act

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,316,128	\$ 1,316,128
Total Revenues	-	-	1,316,128	1,316,128
<b>EXPENDITURES</b>				
Current:				
General government	-	339,870	262,380	77,490
Total Expenditures	-	339,870	262,380	77,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(339,870)	1,053,748	1,393,618
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(1,082,798)	(1,053,748)	29,050
Total Other Financing Sources (Uses)	-	(1,082,798)	(1,053,748)	29,050
Net Change in Fund Balance	-	(1,422,668)	-	1,422,668
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ (1,422,668)	\$ -	\$ 1,422,668

**Non-Major Capital Project Fund Descriptions**

For the year ended June 30, 2025

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**Capital Projects Funds**

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

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

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

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

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

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

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

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

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

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

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

# City of Santee

## Combining Balance Sheet Non-Major Capital Projects Funds

June 30, 2025

*(with summarized comparative information for prior year)*

	Traffic Signal	Traffic Mitigation	Drainage
<b>ASSETS</b>			
Cash and investments	\$ 313,290	\$ 4,703,064	\$ 1,456,635
Interest receivable	3,565	47,745	14,712
Total Assets	<u>\$ 316,855</u>	<u>\$ 4,750,809</u>	<u>\$ 1,471,347</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	316,855	4,750,809	1,471,347
Unassigned	-	-	-
Total Fund Balances	<u>316,855</u>	<u>4,750,809</u>	<u>1,471,347</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 316,855</u>	<u>\$ 4,750,809</u>	<u>\$ 1,471,347</u>

(Continued)

Park In-Lieu	Regional Transportation Congestion Improvements	TransNet	TDA - Bikeways	TDA - Transit	Utility Undergrounding
\$ 5,571,790	\$ 2,857,892	\$ -	\$ -	\$ -	\$ 221,200
55,640	28,828	-	-	-	2,207
<u>\$ 5,627,430</u>	<u>\$ 2,886,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,407</u>
\$ -	\$ -	\$ 94,153	\$ -	\$ -	\$ -
-	-	94,153	-	-	-
5,627,430	2,886,720	-	-	-	223,407
-	-	(94,153)	-	-	-
<u>5,627,430</u>	<u>2,886,720</u>	<u>(94,153)</u>	<u>-</u>	<u>-</u>	<u>223,407</u>
<u>\$ 5,627,430</u>	<u>\$ 2,886,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,407</u>

# City of Santee

## Combining Balance Sheet Non-Major Capital Projects Funds June 30, 2025

(with summarized comparative information for prior year)

(Concluded)

		Total Non-Major Capital Projects Funds	
	CFD 2017-1	2025	2024
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 15,123,871	\$ 13,802,456
Interest receivable	-	152,697	114,844
Total Assets	<u>\$ -</u>	<u>\$ 15,276,568</u>	<u>\$ 13,917,300</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ 94,153	\$ 104,212
Total Liabilities	<u>-</u>	<u>94,153</u>	<u>104,212</u>
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	-	15,276,568	13,917,300
Unassigned	-	(94,153)	(104,212)
Total Fund Balances	<u>-</u>	<u>15,182,415</u>	<u>13,813,088</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 15,276,568</u>	<u>\$ 13,917,300</u>

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# City of Santee

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Capital Projects Funds For the year ended June 30, 2025 (with summarized comparative information for prior year)

	Traffic Signal	Traffic Mitigation	Drainage
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Developer fees	43,773	388,757	321,292
Investment earnings	17,316	218,929	66,414
Total Revenues	61,089	607,686	387,706
<b>EXPENDITURES</b>			
Current:			
Public works	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	-	-	-
Excess of Revenues Over Expenditures	61,089	607,686	387,706
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(100,000)	(122,857)	(454,146)
Total Other Financing Sources	(100,000)	(122,857)	(454,146)
Net Change in Fund Balances	(38,911)	484,829	(66,440)
Fund Balances, Previously Reported	355,766	4,265,980	1,537,787
Adjustment - change from nonmajor to major	-	-	-
Fund Balances, Beginning of Year	355,766	4,265,980	1,537,787
Fund Balances (Deficit), End of Year	\$ 316,855	\$ 4,750,809	\$ 1,471,347



(Continued)

Park In-Lieu	Regional Transportation Congestion Improvements	TransNet	TDA - Transit	Utility Undergrounding
\$ -	\$ -	\$ 2,204,433	\$ -	\$ -
29,352	313,621	-	-	-
255,489	128,075	-	(12)	10,274
284,841	441,696	2,204,433	(12)	10,274
-	-	-	-	-
-	-	621,250	-	-
-	-	182,684	-	-
-	-	803,934	-	-
284,841	441,696	1,400,499	(12)	10,274
433,951	(181,185)	(1,390,440)	(49)	(9,726)
433,951	(181,185)	(1,390,440)	(49)	(9,726)
718,792	260,511	10,059	(61)	548
4,908,638	2,626,209	(104,212)	61	222,859
-	-	-	-	-
4,908,638	2,626,209	(104,212)	61	222,859
\$ 5,627,430	\$ 2,886,720	\$ (94,153)	\$ -	\$ 223,407

# City of Santee

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

### Non-Major Capital Projects Funds

For the year ended June 30, 2025

*(with summarized comparative information for prior year)*

**(Concluded)**

	Total Non-Major Capital Projects Funds	
	2025	2024
<b>REVENUES</b>		
Intergovernmental	\$ 2,204,433	\$ 3,028,286
Developer fees	1,096,795	3,422,869
Investment earnings	696,485	544,150
Total Revenues	<u>3,997,713</u>	<u>6,995,305</u>
<b>EXPENDITURES</b>		
Current:		
Public works	-	7,400
Debt Service:		
Principal retirement	621,250	592,500
Interest and fiscal charges	182,684	216,907
Total Expenditures	<u>803,934</u>	<u>816,807</u>
Excess of Revenues Over Expenditures	<u>3,193,779</u>	<u>6,178,498</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	<u>(1,824,452)</u>	<u>(3,518,376)</u>
Total Other Financing Sources	<u>(1,824,452)</u>	<u>(3,518,376)</u>
Net Change in Fund Balances	1,369,327	2,660,122
Fund Balances, Previously Reported	13,813,088	18,374,053
Adjustment - change from nonmajor to major	-	(7,221,087)
Fund Balances, Beginning of Year	<u>13,813,088</u>	<u>11,152,966</u>
Fund Balances (Deficit), End of Year	<u>\$ 15,182,415</u>	<u>\$ 13,813,088</u>

# STATISTICAL SECTION

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**Description of Statistical Section Contents**

For the year ended June 30, 2025

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

**CONTENTS**

**Page**

<u>Financial Trends</u> – these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	142-149
<u>Revenue Capacity</u> – these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	150-155
<u>Debt Capacity</u> – these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	156-160
<u>Demographic and Economic Information</u> – these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	161-163
<u>Operating Information</u> – these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	164-166

## City of Santee

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

---

	Fiscal Year			
	2016	2017	2018	2019
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 176,071,642	\$ 174,642,185	\$ 172,108,751	\$ 176,411,913
Restricted	19,771,922	16,828,134	23,944,194	29,342,598
Unrestricted	(15,907,455)	(17,759,223)	(24,076,572)	(24,090,681)
Total Governmental Activities				
Net Position	<u>\$ 179,936,109</u>	<u>\$ 173,711,096</u>	<u>\$ 171,976,373</u>	<u>\$ 181,663,830</u>

(Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 176,901,067	\$ 175,744,896	\$ 179,540,791	\$ 177,536,777	\$ 173,301,665	\$ 172,987,358
28,096,742	27,267,595	31,329,918	35,495,643	48,140,291	49,253,475
(28,938,098)	(26,947,808)	(29,868,037)	(26,469,946)	(28,501,012)	(22,333,707)
<u>\$ 176,059,711</u>	<u>\$ 176,064,683</u>	<u>\$ 181,002,672</u>	<u>\$ 186,562,474</u>	<u>\$ 192,940,944</u>	<u>\$ 199,907,126</u>

# City of Santee

## Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2016	2017	2018	2019
<b>EXPENSES</b>				
Governmental Activities:				
General Government	\$ 6,575,847	\$ 7,772,714	\$ 7,445,329	\$ 7,322,174
Public Safety	24,321,086	26,069,863	28,327,605	30,688,969
Public Works	21,112,813	19,022,773	16,461,625	15,663,815
Community Development	104,282	106,108	315,174	508,050
Parks and Recreation	2,568,283	2,708,167	3,265,037	2,442,245
Interest and Fiscal Charges	499,695	489,461	455,071	410,553
Total Governmental Activities Expenses	55,182,006	56,169,086	56,269,841	57,035,806
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
General Government	710,476	1,547,383	473,990	581,691
Public Safety	3,784,014	4,852,436	4,113,655	5,998,396
Public Works	3,490,444	4,070,185	4,398,192	3,890,190
Community Development	-	-	7,693	10,260
Parks and Recreation	773,992	754,659	783,200	785,517
Operating Grants and Contributions	2,757,140	1,844,943	2,965,914	2,989,446
Capital Grants and Contributions	8,008,366	4,016,506	11,925,270	15,644,810
Total Governmental Activities Program Revenues	19,524,432	17,086,112	24,667,914	29,900,310
Net Revenues (Expenses) From Governmental Activities	(35,657,574)	(39,082,974)	(31,601,927)	(27,135,496)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities:				
Taxes:				
Property Taxes	14,717,412	16,107,853	17,151,586	18,255,129
Sales Taxes	13,842,272	12,814,078	12,645,534	14,089,139
Franchise Taxes	2,912,740	2,803,436	2,871,885	2,947,828
Other Taxes	745,340	854,709	886,764	929,842
Motor Vehicle In Lieu, Unrestricted	22,516	25,426	30,057	27,357
Investment Earnings	185,129	103,861	163,160	572,229
Miscellaneous	32,615	148,598	1,458	1,429
Total Governmental Activities	32,458,024	32,857,961	33,750,444	36,822,953
Changes in Net Position From Governmental Activities	<u>\$ (3,199,550)</u>	<u>\$ (6,225,013)</u>	<u>\$ 2,148,517</u>	<u>\$ 9,687,457</u>



(Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 7,674,778	\$ 8,681,560	\$ 8,370,390	\$ 8,652,280	\$ 12,622,646	\$ 13,027,772
33,660,167	34,583,602	35,942,025	33,019,304	42,705,812	39,905,831
21,912,084	18,278,132	16,943,831	20,205,721	24,220,927	21,083,515
168,999	575,881	480,320	540,197	305,727	123,202
2,664,122	2,541,535	4,398,900	2,418,595	3,157,037	3,992,038
256,413	33,277	245,377	242,311	226,887	213,899
66,336,563	64,693,987	66,380,843	65,078,408	83,239,036	78,346,257
360,666	405,164	520,583	432,185	578,019	771,226
5,405,941	6,252,339	6,319,814	6,822,784	12,648,129	8,836,829
4,281,073	3,616,939	3,535,152	3,376,276	3,913,246	3,779,835
9,655	9,929	9,882	9,914	8,903	425,787
599,740	341,330	950,802	1,034,069	1,109,890	1,198,722
4,049,925	5,139,851	4,250,741	5,196,667	10,033,702	7,679,787
7,399,277	5,589,506	5,000,664	6,264,541	9,804,092	4,818,152
22,106,277	21,355,058	20,587,638	23,136,436	38,095,981	27,510,338
(44,230,286)	(43,338,929)	(45,793,205)	(41,941,972)	(45,143,055)	(50,835,919)
19,414,752	20,790,640	21,731,574	23,650,326	25,206,404	26,753,631
14,794,271	16,363,699	17,902,035	18,987,512	19,800,193	19,647,891
3,014,156	4,988,608	3,499,810	3,748,881	4,176,119	4,063,946
854,454	1,008,603	1,168,298	1,101,055	1,057,794	1,073,074
46,227	42,538	65,618	60,825	73,298	94,057
549,728	990	(636,971)	422,174	1,556,084	1,613,073
6,214	148,823	317,509	6,214,322	227,995	203,734
38,679,802	43,343,901	44,047,873	54,185,095	52,097,887	53,449,406
\$ (5,550,484)	\$ 4,972	\$ (1,745,332)	\$ 12,243,123	\$ 6,954,832	\$ 2,613,487

# City of Santee

## Fund Balances of Governmental Funds

Last Ten Fiscal Years

**(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>GENERAL FUND</b>				
Nonspendable	\$ 1,710,623	\$ 23,134	\$ 468,208	\$ 484,105
Restricted	1,050,009	875,015	700,017	525,000
Committed	46,075	160,546	639,025	1,558,888
Assigned	2,162,409	4,413,608	3,188,318	2,413,883
Unassigned	9,406,341	9,509,653	9,217,418	10,917,902
Total General Fund	<u>\$ 14,375,457</u>	<u>\$ 14,981,956</u>	<u>\$ 14,212,986</u>	<u>\$ 15,899,778</u>
<b>ALL OTHER GOVERNMENT FUNDS</b>				
Nonspendable	\$ -	\$ 185	\$ -	\$ -
Restricted	18,721,910	15,953,119	23,244,183	28,817,597
Committed	1,764,251	995,094	1,904,822	2,216,637
Assigned	380,506	431,044	450,616	-
Unassigned	-	-	-	(13,389)
Total All Other Governmental Funds	<u>\$ 20,866,667</u>	<u>\$ 17,379,442</u>	<u>\$ 25,599,621</u>	<u>\$ 31,020,845</u>

(Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 497,964	\$ 567,519	\$ 556,988	\$ 868,971	\$ 742,531	\$ 736,406
350,000	175,000	-	-	-	-
3,614,566	8,344,724	5,080,754	3,840,141	3,006,210	3,551,895
342,685	108,267	707,620	241,673	1,394,731	258,726
12,986,116	14,124,523	12,420,175	17,006,768	16,305,081	20,111,486
<u>\$ 17,791,331</u>	<u>\$ 23,320,033</u>	<u>\$ 18,765,537</u>	<u>\$ 21,957,553</u>	<u>\$ 21,448,553</u>	<u>\$ 24,658,513</u>
\$ -	\$ 407	\$ 389	\$ 592	\$ 542	\$ 921,093
27,746,742	27,092,596	31,329,918	35,213,717	48,139,749	47,632,442
1,678,932	732,366	6,759,598	-	-	-
-	-	-	-	-	-
(34,330)	-	(53,849)	(104,313)	(144,569)	(117,309)
<u>\$ 29,391,344</u>	<u>\$ 27,825,369</u>	<u>\$ 38,036,056</u>	<u>\$ 35,109,996</u>	<u>\$ 47,995,722</u>	<u>\$ 48,436,226</u>

# City of Santee

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

**(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>REVENUES</b>				
Property Taxes	\$ 15,311,705	\$ 16,728,874	\$ 17,813,396	\$ 18,950,630
Sales Taxes	13,842,272	12,814,078	12,645,534	14,089,139
Other Taxes	4,977,021	4,765,174	5,305,578	6,015,912
Special Assessments	1,799,217	1,874,402	1,883,090	1,926,239
Intergovernmental	3,752,831	3,498,568	3,268,990	4,427,590
Licenses and Permits	165,258	168,512	157,522	141,647
Fines and Forfeitures	218,241	213,785	210,855	233,544
Developer Fees	3,703,007	1,960,901	9,002,746	2,302,703
Charges for Services	5,663,982	7,198,261	6,723,181	7,610,710
Investment Earnings	361,187	169,156	309,310	1,161,796
Contributions From Property Owners	-	-	-	8,703,847
Other Revenue	717,545	1,288,924	537,159	1,092,683
<b>Total Revenues</b>	<b>50,512,266</b>	<b>50,680,635</b>	<b>57,857,361</b>	<b>66,656,440</b>
<b>EXPENDITURES</b>				
Current:				
General Government	6,243,184	6,842,093	6,193,346	7,164,557
Public Safety	24,660,671	28,324,248	27,588,902	29,596,254
Public Works	19,020,068	13,394,895	12,616,533	12,651,373
Community Development	104,282	106,108	315,174	508,050
Parks and Recreation	1,535,812	3,125,495	1,736,471	7,951,397
Debt Service:				
Principal	1,016,325	1,201,480	1,193,930	1,189,404
Interest and Fiscal Charges	524,483	567,042	528,649	487,389
<b>Total Expenditures</b>	<b>53,104,825</b>	<b>53,561,361</b>	<b>50,173,005</b>	<b>59,548,424</b>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(2,592,559)</u>	<u>(2,880,726)</u>	<u>7,684,356</u>	<u>7,108,016</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	11,702,655	6,114,047	5,141,199	8,005,283
Transfers Out	(11,702,655)	(6,114,047)	(5,141,199)	(8,005,283)
Lease acquisition	1,683,962	-	-	-
Subscription acquisition	-	-	-	-
Issuance of Long-term Debt	-	-	-	-
Premium on Long-term Debt	-	-	-	-
<b>Total Other Financing Sources (uses)</b>	<b>1,683,962</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (908,597)</b>	<b>\$ (2,880,726)</b>	<b>\$ 7,684,356</b>	<b>\$ 7,108,016</b>
Debt Service as a Percentage of Noncapital Expenditures <sup>(1)</sup>	3.4%	3.9%	3.8%	3.5%

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

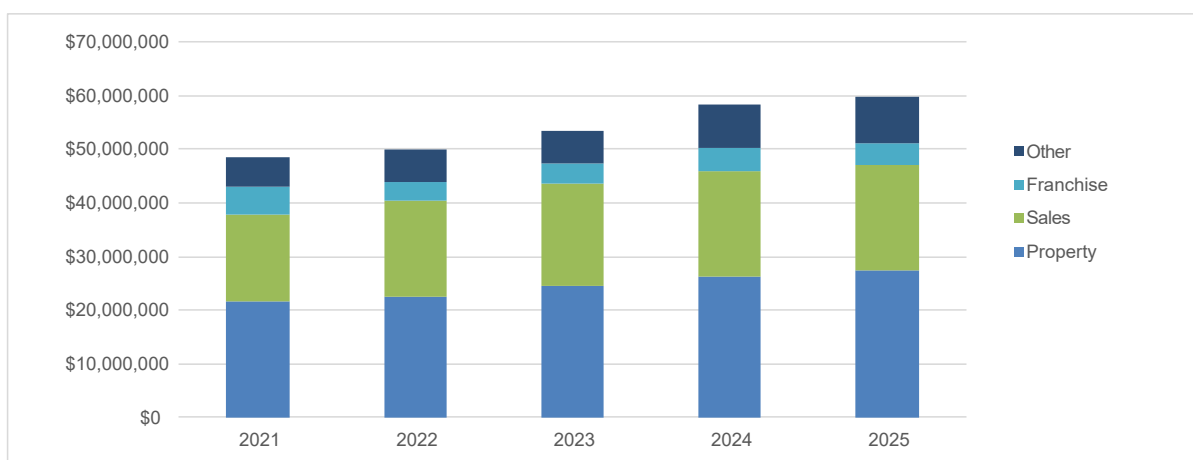
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Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 20,148,751	\$ 21,569,167	\$ 22,552,078	\$ 24,538,761	\$ 26,142,709	\$ 27,365,442
14,794,271	16,363,699	17,902,035	18,987,512	19,800,193	19,647,891
6,406,886	8,533,996	7,320,203	7,694,671	8,680,719	8,554,055
2,008,277	2,061,930	2,077,027	2,122,552	3,625,996	4,073,999
4,433,623	4,680,920	4,543,260	5,239,425	9,480,559	6,098,332
162,205	171,734	235,542	221,113	169,323	208,703
223,296	167,634	171,428	189,678	167,856	229,533
4,931,260	3,311,497	2,649,164	2,623,654	5,070,866	1,195,953
7,349,108	6,730,207	7,433,769	7,281,239	9,052,373	4,288,165
1,184,778	40,486	(966,343)	806,904	2,954,258	3,294,165
-	-	-	-	-	-
244,027	673,097	682,129	7,404,915	4,548,100	5,677,322
61,886,482	64,304,367	64,600,292	77,110,424	89,692,952	80,633,560
7,663,516	8,620,284	9,569,542	10,387,293	11,704,005	11,657,532
30,829,669	32,172,503	33,849,922	34,610,142	42,004,041	41,395,191
15,924,549	13,005,875	19,391,060	20,742,840	21,108,063	20,558,918
168,999	575,882	480,320	540,197	305,727	123,202
5,611,364	4,807,008	2,564,285	2,577,888	1,950,983	2,136,324
1,004,561	915,175	903,618	800,977	1,178,629	1,301,940
368,137	244,913	292,932	257,925	261,905	221,516
61,570,795	60,341,640	67,051,679	69,917,262	78,513,353	77,394,623
315,687	3,962,727	(2,451,387)	7,193,162	11,179,599	3,238,937
5,760,809	2,026,709	15,535,799	6,337,959	20,571,791	11,996,976
(5,760,809)	(2,026,709)	(15,535,799)	(6,337,959)	(20,571,791)	(11,996,976)
-	-	123,360	205,768	1,147,791	148,108
-	-	826,595	24,649	49,336	263,419
-	-	-	-	-	-
-	-	-	-	-	-
-	-	949,955	230,417	1,197,127	411,527
\$ 315,687	\$ 3,962,727	\$ (1,501,432)	\$ 7,423,579	\$ 12,376,726	\$ 3,650,464
2.5%	2.1%	2.0%	1.5%	1.8%	2.0%

# City of Santee

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

Fiscal Year	Real Property				Transient			PEG Fees	Total
	Property Taxes	Transfer Tax	Special Assessments	Sales Taxes	Franchise Taxes	Occupancy Tax	Gas Tax		
2016	\$ 15,311,705	\$ 261,981	\$ 1,799,216	\$ 13,842,272	\$ 2,912,740	\$ 483,359	\$ 1,318,941	\$ -	\$ 35,930,214
2017	16,728,874	329,650	1,874,402	12,814,078	2,803,436	525,059	1,107,029	-	36,182,528
2018	17,813,396	351,617	1,883,088	12,645,534	2,871,885	535,417	1,546,929	-	37,647,866
2019	18,950,630	366,227	1,926,239	14,089,139	2,947,828	563,615	2,138,242	-	40,981,920
2020	20,148,751	300,958	2,008,277	14,794,271	3,014,156	553,496	2,466,213	72,063	43,358,185
2021	21,569,167	408,383	2,061,930	16,363,699	4,988,608	600,220	2,384,092	152,693	48,528,792
2022	22,552,078	474,502	2,077,027	17,902,035	3,499,810	693,796	2,510,641	141,454	49,851,343
2023	24,538,761	350,596	2,122,552	18,987,512	3,748,881	750,458	2,700,686	144,050	53,343,496
2024	26,142,709	279,674	3,625,996	19,800,193	4,176,119	778,119	3,325,886	120,921	58,249,617
2025	27,365,442	329,471	4,073,999	19,647,891	4,063,946	743,602	3,303,899	113,137	59,641,387



### Notes:

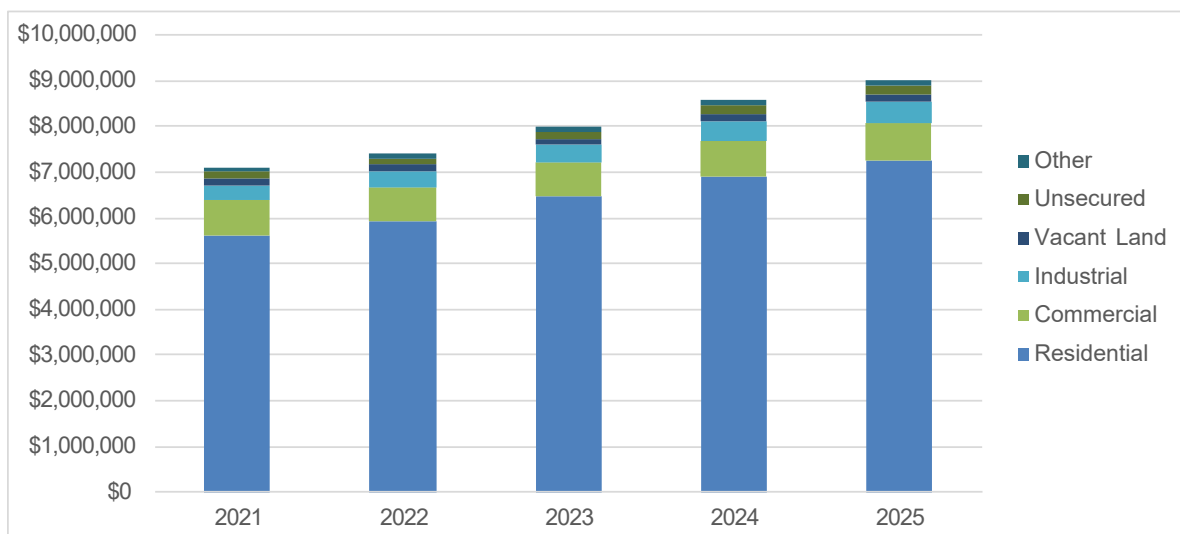
As of FY 2018 Gas Tax includes Road Maintenance and Rehabilitation (RMRA - SB 1) revenue received from the State of California.

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

Source: City of Santee Finance Department

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

Fiscal Year	Residential	Commercial	Industrial	Vacant Land	Unsecured	Other	Total	Total Direct Tax Rate
2016	\$ 3,988,067	\$ 550,014	\$ 266,134	\$ 65,491	\$ 138,171	\$ 95,442	\$ 5,103,319	0.1795%
2017	4,174,318	566,661	269,485	79,759	136,335	98,012	5,324,570	0.1795%
2018	4,521,637	592,981	284,027	137,141	143,176	99,461	5,778,423	0.1795%
2019	4,863,156	625,062	315,963	110,651	149,641	100,624	6,165,097	0.1795%
2020	5,288,223	655,739	335,878	96,192	152,206	112,835	6,641,073	0.1795%
2021	5,613,167	760,508	347,981	124,426	155,727	111,677	7,113,486	0.1795%
2022	5,931,478	735,950	361,062	128,693	139,583	113,773	7,410,539	0.1795%
2023	6,450,570	758,617	391,698	110,304	172,580	117,844	8,001,613	0.1795%
2024	6,890,473	786,876	444,118	135,837	191,408	121,557	8,570,269	0.1795%
2025	7,259,839	825,096	460,652	141,938	204,530	126,161	9,018,216	0.1795%



**Notes:**

Exempt values are not included in total.

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

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

Sources: HdL, Coren & Cone  
San Diego County Assessor

## City of Santee

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

	Fiscal Year			
	2016	2017	2018	2019
City of Santee Direct Rate	0.1795 %	0.1795 %	0.1795 %	0.1795
Overlapping Rates:				
Santee Elementary School District	0.2201	0.2201	0.2201	0.2201
County of San Diego	0.1997	0.1997	0.1997	0.1997
Grossmont Union High School District	0.1625	0.1625	0.1625	0.1625
Educational Revenue Augmentation Fund	0.1087	0.1087	0.1087	0.1087
Grossmont-Cuyamaca Community College District	0.0616	0.0616	0.0616	0.0616
County Library	0.0269	0.0269	0.0269	0.0269
Padre Dam Municipal Water District	0.0112	0.0112	0.0112	0.0112
Grossmont Healthcare District	0.0105	0.0105	0.0105	0.0105
All Other	0.0193	0.0193	0.0193	0.0193
Total Overlapping Rates	0.8205	0.8205	0.8205	0.8205
Total Direct and Overlapping Rate	1.0000	1.0000	1.0000	1.0000
Voter Approved Rates:				
Santee Elementary School District	0.0328	0.0397	0.0371	0.0347
Grossmont Union High School District	0.0605	0.0572	0.0661	0.0648
Grossmont-Cuyamaca Community College District	0.0454	0.0401	0.0467	0.0423
Metropolitan Water District	0.0035	0.0035	0.0035	0.0035
Grossmont Healthcare District	0.0235	0.0235	0.0235	0.0235
Total Voter Approved Rates	0.1657	0.1640	0.1770	0.1688
Total Tax Rate	1.1657 %	1.1640 %	1.1771 %	1.1688

#### Notes:

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

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

Source: HdL, Coren & Cone



(Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
0.1795 %	0.1795 %	0.1795 %	0.1795 %	0.1795 %	0.1795
0.2201	0.2201	0.2201	0.2201	0.2201	0.2201
0.1997	0.1997	0.1997	0.1997	0.1997	0.1997
0.1625	0.1625	0.1625	0.1625	0.1625	0.1625
0.1087	0.1087	0.1087	0.1087	0.1087	0.1087
0.0616	0.0616	0.0616	0.0616	0.0616	0.0616
0.0269	0.0269	0.0269	0.0269	0.0269	0.0269
0.0112	0.0112	0.0112	0.0112	0.0112	0.0112
0.0105	0.0105	0.0105	0.0105	0.0105	0.0105
0.0193	0.0193	0.0193	0.0193	0.0193	0.0193
0.8205	0.8205	0.8205	0.8205	0.8205	0.8205
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0341	0.0599	0.0585	0.0553	0.0511	0.0503
0.0670	0.0633	0.0645	0.0618	0.0619	0.0617
0.0404	0.0380	0.0412	0.0394	0.0275	0.0424
0.0035	0.0035	0.0035	0.0035	0.0035	0.0070
0.0249	0.0249	0.0246	0.0246	0.0246	0.0204
0.1699	0.1896	0.1923	0.1846	0.1686	0.1817
1.1699 %	1.1895 %	1.1923 %	1.1846 %	1.1686 %	1.1817

# City of Santee

## Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Santee Senior Retirement Communities LLC	\$ 88,246,211	1	0.98%	\$ -	-	-
Parc One Del LLC	64,352,514	2	0.71%	-	-	-
Santee Trolley Square 991 LP <sup>(3)</sup>	55,130,611	3	0.61%	47,614,204	1	0.93%
M G Vela LLC	34,249,669	4	0.38%	-	-	-
Santee Villas Del LLC <sup>(1)</sup>	34,205,850	5	0.38%	30,598,937	2	0.60%
LLJ Stratford Somerset LLC	33,595,070	6	0.37%	-	-	-
Walmart Stores LP	33,561,747	7	0.37%	29,140,436	3	0.57%
H C A Arbors Apartments LP	33,486,866	8	0.37%	28,310,828	4	0.55%
Brixton Lomas LLC <sup>(2)</sup>	27,642,000	9	0.31%	-	-	-
M H C Meadowbrook LP	24,941,101	10	0.28%	21,167,296	5	0.41%
Santee Retail LP	-	-	-	21,146,988	6	0.41%
American Realty Capital Properties Inc	-	-	-	18,563,636	7	0.36%
Cox Communications CA LLC	-	-	-	17,496,620	8	0.34%
Costco Wholesale Corporation	-	-	-	16,857,566	9	0.33%
Target Corporation	-	-	-	16,753,661	10	0.33%
	<u>\$ 429,411,639</u>		<u>4.76%</u>	<u>\$ 247,650,172</u>		<u>4.83%</u>

<sup>(1)</sup> Formerly Santee Partners LP

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

<sup>(3)</sup> Formerly Vestar Kimco Santee LP

Source: HdL, Coren & Cone

**Property Tax Levies and Collections**  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Within the Year of Levy			Collections From Prior Years Levies	Total Collections To Date	Total Collections as a Percent of Levy
	Current Secured Tax Levy	Current Secured Collected	Percent of Levy Collected			
2016	\$ 11,775,993	\$ 11,104,272	94.3%	\$ 138,198	\$ 11,242,470	95.5%
2017	12,272,154	11,588,583	94.4%	135,577	11,724,160	95.5%
2018	12,917,869	12,235,446	94.7%	159,681	12,395,127	96.0%
2019	13,700,825	12,988,513	94.8%	119,851	13,108,364	95.7%
2020	14,869,554	14,070,120	94.6%	138,206	14,208,325	95.6%
2021	15,637,179	14,765,957	94.4%	197,457	14,963,414	95.7%
2022	16,400,490	15,436,785	94.1%	181,484	15,618,269	95.2%
2023	17,541,024	16,477,461	93.9%	173,298	16,650,759	94.9%
2024	19,806,523	18,615,989	94.0%	214,582	18,830,571	95.1%
2025	20,830,920	19,537,595	93.8%	254,018	19,791,613	95.0%

**Notes:**

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

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

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

## City of Santee

### Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Outstanding General Bonded Debt		Percent of Assessed Value <sup>(2)</sup>	Debt Per Capita
	Lease Revenue Bonds <sup>(1)</sup>	Total		
2016	\$ 555,000	\$ 555,000	0.01%	10
2017	375,000	375,000	0.01%	7
2018	190,000	190,000	0.00%	3
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

#### Notes:

General bonded debt is debt payable with governmental fund resources.

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

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

Source: City of Santee Finance Department

**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities					Percentage of Personal Income <sup>(1)</sup>	Debt Per Capita <sup>(1)</sup>
	Lease Revenue Bonds	Notes & Loans	Lease Obligations	SBITA Obligations	Total Governmental Activities		
2016	\$ 555,000	\$ 12,450,459	\$ 2,458,347	\$ -	\$ 15,463,806	0.38%	269
2017	375,000	11,733,103	2,085,210	-	14,193,313	0.35%	246
2018	190,000	10,998,851	1,741,324	-	12,930,175	0.32%	223
2019	-	10,243,065	1,428,494	-	11,671,559	0.29%	200
2020	-	8,377,975	1,115,969	-	9,493,944	0.23%	159
2021	-	7,231,768	848,189	-	8,079,957	0.19%	136
2022	-	6,518,761	752,993	826,595	8,098,349	0.18%	137
2023	-	5,888,750	652,473	657,127	7,198,350	0.17%	122
2024	-	5,296,250	1,473,766	446,832	7,216,848	0.17%	121
2025	-	4,670,827	1,255,316	400,292	6,326,435	N/A	N/A

**Notes:**

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

<sup>(1)</sup> These ratios are calculated using personal income and population for the prior calendar year from the City's Demographic and Economic Statistics data. Calendar year 2024 data will be available in December 2025.

Source: City of Santee Finance Department

# City of Santee

## Direct and Overlapping Debt

June 30, 2025

Total Assessed Valuation		<u>\$ 9,018,216,378</u>	
	Percentage Applicable <sup>(1)</sup>	Outstanding Debt 6/30/25	Estimated Share of Overlapping Debt
<b>OVERLAPPING DEBT REPAID WITH PROPERTY TAXES</b>			
Metropolitan Water District	0.2200%	\$ 17,155,000	\$ 37,741
Grossmont-Cuyamaca Community College District	12.6090%	331,030,377	41,739,620
Palomar Community College District	0.0001%	611,941,649	612
Grossmont Union High School District	12.9620%	623,428,398	80,808,789
Poway Unified School District Facilities Improvement	0.0010%	233,797,126	2,338
Districts Lakeside Union School District	0.2440%	55,208,027	134,708
Santee School District	91.2990%	50,495,467	46,101,856
Grossmont Healthcare District	11.8950%	198,875,853	23,656,283
City of Santee Community Facilities District No. 2017-1	100.0000%	7,895,000	7,895,000
California Statewide Community Development Authority Assess District	100.0000%	3,321,000	3,321,000
Total Overlapping Debt Repaid with Property		<u>2,133,147,897</u>	<u>203,697,947</u>
<b>Taxes OVERLAPPING OTHER DEBT</b>			
San Diego County General Fund Obligations	1.2170%	351,065,000	4,272,461
San Diego County Pension Obligations	1.2170%	140,370,000	1,708,303
San Diego County Superintendent of Schools Obligations	1.2170%	5,125,000	62,371
Poway Unified School District General Fund Obligations	0.0003%	51,910,000	156
Grossmont Cuyamaca Community College Dist. Gen. Fd. Obligation	12.9620%	30,125,000	3,904,803
Santee School District Certificates of Participation	91.2990%	20,148,318	18,395,213
Total Overlapping Other Debt		<u>598,743,318</u>	<u>28,343,307</u>
Total Overlapping Debt		<u>\$ 2,731,891,215</u>	<u>232,041,254</u>
City Direct Debt			6,326,435
Overlapping Tax Increment Debt (Successor Agency)			<u>30,985,000</u>
Total Direct and Overlapping Debt			<u>\$ 269,352,689</u>

### Notes:

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

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

Sources: MuniServices, LLC/Neumo  
HdL, Coren & Cone

**Legal Debt Margin Information**  
 Last Ten Fiscal Years  
*(in thousands of dollars)*

	Fiscal Year			
	2016	2017	2018	2019
Assessed Valuation	\$ 5,103,319	\$ 5,324,570	\$ 5,778,423	\$ 6,165,097
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	1,275,830	1,331,143	1,444,606	1,541,274
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	191,374	199,671	216,691	231,191
Total Net Debt Applicable to General Obligation Bonds	-	-	-	-
Legal Debt Margin	<u>\$ 191,374</u>	<u>\$ 199,671</u>	<u>\$ 216,691</u>	<u>\$ 231,191</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	0.0%	0.0%

**Notes:**

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

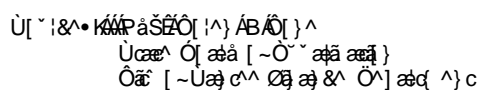
Sources: HdL, Coren & Cone  
 San Diego County Assessor

(Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 6,641,073	\$ 7,113,486	\$ 7,410,540	\$ 8,001,613	\$ 8,570,269	\$ 9,018,216
25%	25%	25%	25%	25%	25%
1,660,268	1,778,372	1,852,635	2,000,403	2,142,567	2,254,554
15%	15%	15%	15%	15%	15%
249,040	266,756	277,895	300,060	321,385	338,183
-	-	-	-	-	-
<u>\$ 249,040</u>	<u>\$ 266,756</u>	<u>\$ 277,895</u>	<u>\$ 300,060</u>	<u>\$ 321,385</u>	<u>\$ 338,183</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



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# City of Santee

## Demographic and Economic Statistics

Last Ten Calendar Years

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GEGE	í J È í î	ÁÆí î	ÁÆí È í î	ì È Ã
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GEGG	í î é î î	ÁÆí Jí	ÁÆí È í î	HÈ Ã
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**Principal Employers**  
Current Year and Nine Years Ago

Employer	2025			2016		
	Number of Employees	Rank	Percent of Total Employment <sup>(1)</sup>	Number of Employees	Rank	Percent of Total Employment
Santee Elementary School District	830	1	2.79%	744	1	2.56%
Las Colinas Detention Facility	396	2	1.33%	248	6	0.85%
Costco Wholesale	377	3	1.27%	321	2	1.10%
Edgemoor Skilled Nursing Facility	359	4	1.20%	300	3	1.03%
Grossmont Union High School District	269	5	0.90%	173	10	0.59%
HD Supply Facility Maintenance	260	6	0.87%			
TC Construction CO Inc	204	7	0.68%			
Walmart	210	8	0.70%	268	5	0.92%
Target	202	9	0.68%	191	9	0.66%
Home Depot	198	10	0.66%	196	8	0.67%
Vons				275	4	0.95%
Scantibodies Laboratory				220	7	0.76%
Total	<u>3,305</u>		<u>11.08%</u>	<u>2,936</u>		<u>10.09%</u>

**Notes:**

This schedule presents data for the ten principal employers as of June 30, 2025 and June 30, 2016.

<sup>(1)</sup> Total employment of all employers located within City limits as provided by EDD Labor Force Data.  
Total Labor Force FY 2024: 29,800

Source: MuniServices, LLC/Neumo

## City of Santee

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

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Function	Full-Time Employees as of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	28.30	28.30	28.30	28.20	29.05	29.05	30.05	32.45	32.75	33.45
Public Works	35.20	35.20	35.20	35.30	35.45	35.45	36.45	38.05	40.75	44.55
Parks and Recreation	6.00	6.00	6.00	6.00	6.00	4.00	6.00	6.00	6.00	6.00
Public Safety	58.60	57.60	57.60	57.60	60.60	60.60	62.00	62.00	67.00	73.00
Total	<u>128.10</u>	<u>127.10</u>	<u>127.10</u>	<u>127.10</u>	<u>131.10</u>	<u>129.10</u>	<u>134.50</u>	<u>138.50</u>	<u>146.50</u>	<u>157.00</u>

Source: City of Santee

Operating Indicators *by Department*  
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>DEVELOPMENT SERVICES</b>										
Building Permits Issued	1,826	1,634	1,922	1,787	1,794	2,021	2,186	1,969	1,689	1,271
Building Inspections Completed	6,084	9,838	7,889	5,959	5,415	7,375	5,785	7,321	5,408	5,562
Development Applications Processed	158	129	97	89	75	47	57	316 <sup>(3)</sup>	536 <sup>(3)</sup>	547 <sup>(3)</sup>
Street Resurfacing (miles) <sup>(1)</sup>	41.8	-	9.6	3.5	11.7	12.5	25.2	18.7	29.3	29.3
<b>COMMUNITY SERVICES</b>										
Number of Recreation Classes Offered	403	366	410	400	236	65	69	84	144	161
Number of Recreation Class Participants	1,811	1,369	1,580	1,271	757	469	524	696	887	911
Attendance at City-Wide Special Events	62,096	73,194	71,800	74,324	58,850	9,500	18,000	29,800	30,400	34,560
Number of Facility Rentals	1,422	1,349	1,392	1,222	775	377	1,120	1,092	1,034	1,114
<b>FIRE</b>										
Fire Responses	149	157	203	172	160	235	262	373	395	420
Emergency Medical Responses	6,485	6,439	6,927	6,687	6,325	6,640	7,266	8,012	8,550	8,818
Community Service Calls	374	465	489	454	468	527	559	686	723	659
Other Responses <sup>(2)</sup>	2,133	2,206	2,209	2,193	2,147	2,097	2,026	1,347	909	276
Fire Prevention & Safety Inspections	235	182	176	179	55	74	94	655	405	348
<b>SHERIFF</b>										
Arrests	1,694	2,033	2,719	1,780	1,435	1,202	975	1,059	1,775	1,529
Parking Citations Issued	489	680	798	2,185	1,586	1,277	1,132	1,653	1,384	1,606
Traffic Citations Issued	1,238	2,552	2,421	3,453	3,763	2,744	2,694	3,273	2,759	3,092
Calls for Service	19,744	16,255	16,645	15,267	14,548	14,295	14,128	14,170	13,391	13,000

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

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

<sup>(3)</sup> As of FY23 the Development Applications Processed includes all Planning & Engineering applications processed.

Source: City of Santee

# City of Santee

## Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>FIRE</b>										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus	7	7	7	7	7	7	7	7	9	10
Paramedic Vehicles	4	5	5	6	6	6	6	6	6	6
EMT Vehicles								1	1	1
<b>PUBLIC WORKS</b>										
Streets (centerline miles)	121.42	121.42	121.42	121.46	122.04	122.16	122.16	124.41	123.47	123.47
Street Lights	3,244	3,316	3,335	3,337	3,341	3,351	3,443	3,455	3,440 <sup>(1)</sup>	3,456
Traffic Signals	59	60	61	61	61	61	61	62	62	62
<b>PARKS &amp; RECREATION</b>										
Parks	9	9	9	9	9	9	10	10	10	10

<sup>(1)</sup> Street Light count audited early FY 25.

Source: City of Santee