



THE CITY OF

SAN FERNANDO

A photograph of the City of San Fernando archway, a large steel truss structure that spans a road. The archway is set against a blue sky with light clouds. In the background, snow-capped mountains are visible. In the foreground, there are green plants and a traffic light. The text "CITY OF SAN FERNANDO" is superimposed on the archway in a white, serif font.

CITY OF SAN FERNANDO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

SAN FERNANDO, CALIFORNIA

CITY OF SAN FERNANDO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared By:
Finance Department

City of San Fernando
Comprehensive Annual Financial Report
Year Ended June 30, 2014

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City of San Fernando
Comprehensive Annual Financial Report
Year Ended June 30, 2014

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I. Introductory Section



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THE CITY OF SAN FERNANDO

CITY COUNCIL

December 17, 2014

MAYOR
SYLVIA BALLIN

Honorable Mayor and City Council Members
Residents of San Fernando

MAYOR PRO TEM
ROBERT C. GONZALES

COUNCILMEMBER
JESSE H. AVILA

COUNCILMEMBER
JOEL FAJARDO

COUNCILMEMBER
ANTONIO LOPEZ

The Comprehensive Annual Financial Report (CAFR) of the City of San Fernando, California for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of San Fernando. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of San Fernando, California. 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, City management 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 have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of San Fernando City Code requires an annual audit by an independent certified public accountant. The City's financial statements have been audited by Van Lant & Fankhanel, LLP; a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City of San Fernando for the fiscal year ended June 30, 2014, are free of material misstatements. 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of San Fernando's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The City is required to undergo the annual single audit in conformity with provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." The Single Audit Report, which is issued separately, includes the schedule of federal expenditures, findings and recommendations, the auditors' reports on the internal control structure and compliance with applicable laws and regulations.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic 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 in the financial section of the CAFR.

FINANCE
DEPARTMENT

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Profile of the City of San Fernando

The City of San Fernando, which has a residential population of approximately 24,000, was incorporated on August 31, 1911. It is conveniently located in the northeast section of the San Fernando Valley at the southern foot of the San Gabriel Mountains. This compact community of 2.4 square miles is completely surrounded by the City of Los Angeles, including the nearby communities of Sylmar, Mission Hills and Pacoima. Major physiographic features located near the city include the San Gabriel Mountains (located approximately 3 miles to the north), the Pacoima Wash (located along the eastern side of the city), Hansen Lake (located 3 miles to the southeast of the city), and the Los Angeles Reservoir (located approximately 4 miles to the northwest). Regional access to the City of San Fernando is possible from three freeways located in the area: Interstate 5 Freeway (I-5), State Route 118 (SR-118), and Interstate 210 Freeway (I-210).

The City operates under the City Council - City Manager form of government and provides a full range of municipal services, including police protection; construction and maintenance of streets and infrastructure; community development activities; recreational and cultural activities; and general administrative and support services. Fire and ambulance services are provided by contract with the City of Los Angeles Fire Department. In addition, the City provides refuse services through an exclusive franchise agreement and water and sanitary sewer under an Enterprise Fund system whereby customer user fees cover the cost of providing service.

The City adopts an annual budget by July 1st each year. The budget includes detailed by line item for each operating department and special revenue fund. The budget includes, at a minimum, the following expenditure categories for each fund and department:

- Personnel Services;
- Contractual Services;
- Maintenance and Operations; and
- Capital Outlay.

The Annual Budget, as adopted by the City Council, establishes the total appropriation provided for each City Department's operations. Expenditures may not legally exceed budgeted appropriations at the Department level within a fund. The Finance Director is authorized to transfer budget amounts within salary accounts and within Maintenance and Operations accounts at his discretion. The City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least three members. The City's general ledger is maintained by the line item detail or object of expenditure. Revenues are estimated annually and measured against actual revenues earned.

The City Council exercises control over and is financially accountable for the legally separate San Fernando Public Financing Authority, which is included in this report as a blended component unit of the City. The Los Angeles Unified School District and other public bodies have not met the established criteria for inclusion in the reporting entity since independent boards not under City Council control govern them. The City Council does not have any voting power over them; accordingly they are excluded from this report. Additional information on blended component units can be found in Note 1 of the Notes to the Financial Statements.

History of San Fernando

As you enter the City of San Fernando along picturesque, palm-lined Brand Boulevard, you discover a community rich in California history dating back almost two centuries. Named in honor of a Spanish Saint/King, San Fernando was selected for settlement long before the rest of Los Angeles. The City grew out of the ranching activities surrounding Mission de San Fernando Rey, whose graceful porticoes still stand today. By the early 1800's the settlement had blossomed into a small trading center where farm crop, olives, wine, and thousands of livestock raised by the resident Indians were bought and sold.

Honorable Mayor and City Council Members
Residents of San Fernando
December 17, 2014

San Fernando enjoyed a brief gold rush in the 1840s when nuggets were discovered in a nearby canyon. In 1874, San Fernando became the valley's first organized community, thus earning the title "First City of the Valley". With the arrival of the railroad two years later, town lots soared from \$10 apiece to \$150.

The City of San Fernando is a community of attractive contrasts. What was once a land of farms and ranches adjoining the Mission de San Fernando Rey is now a vibrant center of manufacturing and commerce. San Fernando enjoys a sweeping view of the panoramic San Gabriel foothills and a sense of privacy; yet it is only minutes from downtown Los Angeles and only minutes away from other centers of commercial activity, thanks to a network of freeways and nearby airports. The City combines modern metropolitan conveniences with a close-knit community of friendly, civic-minded residents.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of San Fernando operates.

National, State, and local economies are all continuing a slow recovery from the "Great Recession." The stock market is healthy, with both the Dow Jones Industrial Average and S&P 500 trading at or above historical highs. Gross Domestic Product has been slowly increasing and the Consumer Price Index (a measure of inflation) has remained low. Median home prices in San Fernando and the greater Los Angeles area have slowly increased and housing inventory has been drastically reduced.

The unemployment rate in Los Angeles County is down to 7.9% from a high of almost 15% in 2010. San Fernando's current unemployment rate is 8.1%, which is slightly higher than the County¹. A lower unemployment rate typically leads to an increase in sales tax and business license receipts. Although the unemployment rate is moving in the right direction, it is still well above what economists have historically considered as a full employment rate of 4 – 5%.

These are all signs of an improving economy, but it continues to be a slow journey. The Great Recession was not just a temporary bump in the road, it was an economic correction. In order to be fiscally sound in the long-term, the City of San Fernando must continue to operate within this "new normal" and make the necessary and difficult decisions to re-align short-term and long-term expenditures with fewer resources.

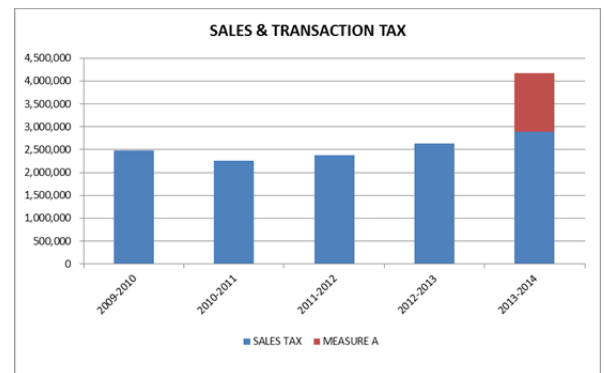
Major General Fund Revenue

The City's major sources of General Fund revenue include Sales & Transaction Tax, Charges for Services, Property Tax in Lieu of Motor Vehicle Tax, Property Tax, and Admissions Tax.

Sales & Transaction Tax

Retail sales and transaction tax is the City's largest revenue, accounting for approximately 31% of total General Fund revenues. Since Sales Tax revenue is a function of business and consumer spending, it is highly sensitive to economic cycles.

In June 2013, San Fernando voters approved a half cent local transaction use tax (Measure A) for a duration of seven years. Funds raised through the transaction tax are imperative to the City's short-term viability. Unfortunately, the transaction tax will sunset in October



¹ Unemployment data per the State of California Economic Development Department's October 2014 Preliminary Labor Force Data (not seasonally adjusted) at <http://www.labormarketinfo.edd.ca.gov> visited 12/2/2014.

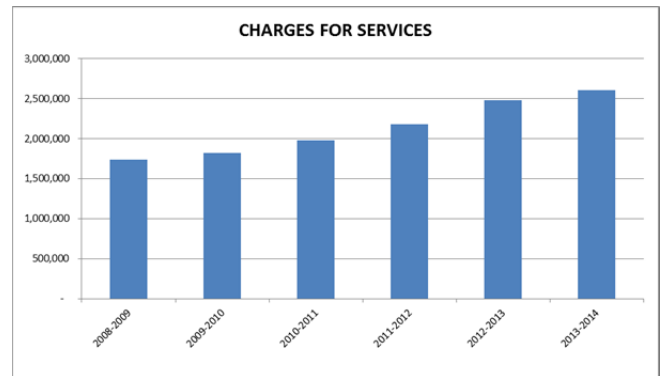
Honorable Mayor and City Council Members
Residents of San Fernando
December 17, 2014

2020. Consequently, funds raised through Measure A will be not be considered to fund ongoing operations.

Sales tax has shown steady growth over the last few years. Since the bottom of the economic correction in FY 2010-2011, sales tax has increased by an average of 5% per year. Additionally, Measure A revenues are expected to increase by about 30% from the FY 2013-2014 Adopted Budget due to increased compliance by local businesses and enforcement by the State Board of Equalization.

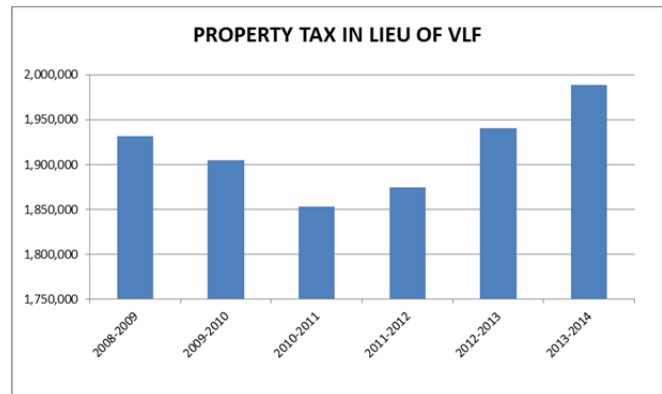
Charges for Services

San Fernando charges fees for various services it provides to users who derive a direct benefit from the provision of those services. Some examples include, facility rental fees, CNG refueling fees, and development permit fees. Additionally, San Fernando charges administration fees to the Enterprise Funds and various Special Revenue funds to reimburse the City for administrative costs incurred to support those activities. Administrative costs include, but are not limited to; recruiting and benefit administration services; billing, accounts payable, payroll and accounting services; information technology services; facility use services; and equipment maintenance services. Charges for services are the City's second largest revenues source and account for approximately 13% of total General Fund revenues.



Property Tax In-Lieu of Motor Vehicle License Fee

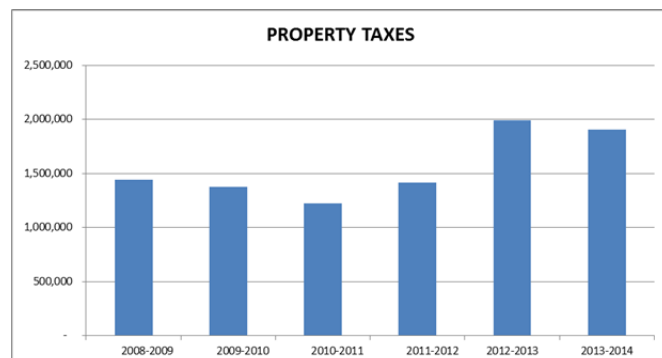
Prior to 2004, cities in California received a share of the state's Motor Vehicle License Fee (VLF), which is a fee imposed on motor vehicles based on the original sale price of the vehicle. In 2004, the state shifted revenues from the Motor Vehicle License Fee to fund other programs. To make cities whole, the state replaced the loss of VLF revenue with a like amount of property tax revenue.



Property tax in-lieu of Motor Vehicle License Fee is the City's third largest revenue and accounts for approximately 11% of General Fund revenue. Revenue and Taxation Code Section (c)(1)(B)(i) specifies the VLF Adjustment Amount for each city and county is to grow in proportion to the growth of gross assessed valuation in that jurisdiction from the prior year. Annual assessed value increases are limited by Proposition 13 to a maximum of 2%.

Property Tax

Property tax, which accounts for a little less than 11% of General Fund revenue, is the City's fourth largest revenue source. Property tax is an ad valorem tax levied on property owners in the City of San Fernando. The property tax rate is limited by Proposition 13 to 1% of the property's assessed value. The City receives approximately fifteen cents for every dollar in property tax paid by property owners in San Fernando. The remaining amount is distributed to Los Angeles County agencies and local school



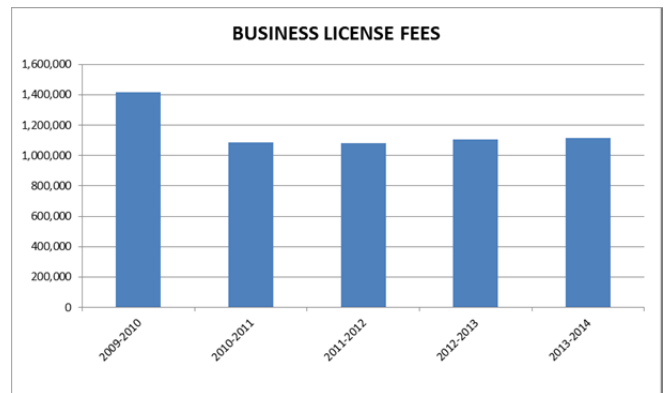
districts.

Assessed property values are steadily rebounding since they bottomed out in FY 2010-2011. Additionally, the elimination of redevelopment agencies and tax increment by the state has resulted in additional property tax for the City, which accounts for the large jump in FY 2012-2013. As the former San Fernando Redevelopment Agency winds down and retires debt, the City will continue to receive additional property tax revenue. Annual assessed value increases are limited by Proposition 13 to a maximum of 2%. There are also a number of projects in the City that are in different phases of the development process. It is anticipated that a number of these will be built within the next few years, which should further bolster the City's assessed values.

Business License Fees

San Fernando imposes a Business License fee on certain businesses, trades, professions and occupations specified in the City's Municipal Code. There are a number of different fees based on business type, but generally the fee imposed is \$1.20 per \$1,000 in gross receipts for the sale of goods and \$2.40 per \$1,000 in gross receipts for services. Business License is the City's fifth largest revenue source and accounts for approximately 6% of General Fund revenue.

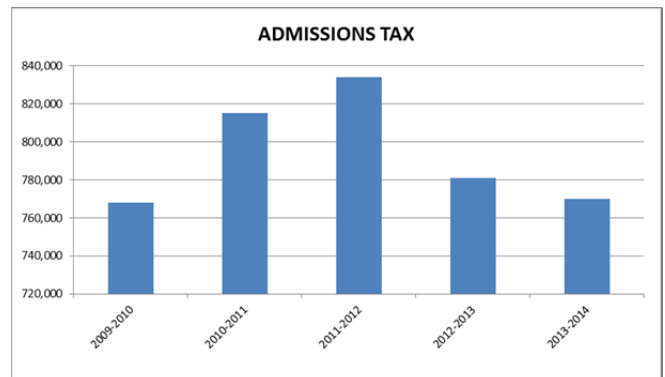
Business License revenue is also very sensitive to economic conditions and decreased by more than 25% from FY 2009-2010 to FY 2010-2011. Although Business License revenue has rebounded slightly since the recession, it is still well below pre-recession receipts and has remained relatively flat.



Admissions Tax

San Fernando imposes a tax on each person who pays admission, commonly known as an Admissions Tax. The current tax rate is \$0.49 per person and is collected by the operator at the time admission is paid. Admissions Tax revenue is the City's sixth largest revenue source and accounts for approximately 4% of General Fund revenue. The primary Admissions Tax generator is the City's Swap Meet.

Revenues increased dramatically in FY 2010-2011 and FY 2011-2012 due to expansion of Swap Meet days of operation from four to five days per week. Subsequent to the initial increase, revenues began to drop off as the number of annual attendees began to decline. Between FY 2011-2012 and 2013-2014, attendance dropped by approximately 8%. Since Swap Meet attendance is back to pre-expansion levels, it is expected to level off and remain relatively flat.



General Fund Expenditures

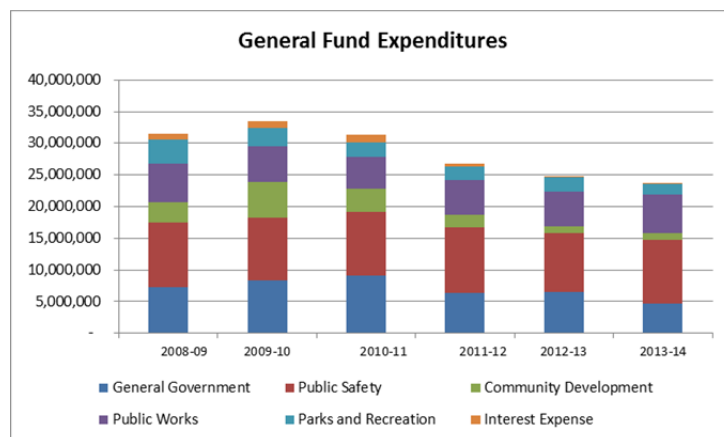
Since fiscal year 2008-2009, total General Fund expenditures have decreased by almost 30% as the City has had to make drastic cuts to align expenses with plummeting revenues. Community Development has experienced the largest decrease (82%) due to the dissolution of redevelopment and the loss of the City's best tool to address blight. General Government and Parks and Recreation have shrunk by (45%) and

Honorable Mayor and City Council Members
Residents of San Fernando
December 17, 2014

(40%), respectively. Over that same time period, Public Safety and Public Works have actually increased by 3% and 8%, respectively.

Reductions have been realized primarily through elimination of vacant positions, layoffs, benefit concessions negotiated with the bargaining units, furlough days, and reduction in services.

Despite the reductions and concessions that have already been implemented, San Fernando, like many cities through the state, continues to face increasing costs from CalPERS and retiree healthcare. The City will continue to work with labor groups to contain these costs. The City must restructure the way benefits are delivered to create a more sustainable overall benefit package that will protect existing employees' livelihood without sacrificing the City's ability to recruit highly competent employees and remain competitive in the labor market.



Long Term Financial Planning

Like many cities in California, San Fernando has had to make tough decisions to drastically reduce benefits, programs, and services in order to remain solvent. As the economy starts to recover and the City's finances begin to stabilize, it is imperative that the City continues on the path to develop a plan and move forward responsibly. First and foremost, the City needs to re-establish a reasonable General Fund reserve and work to build a safety net in the Self Insurance Fund. Concurrently, the City needs to address critical deferred maintenance needs and establish revolving funds to replace equipment and aging infrastructure.

Once the City has sufficient reserves and replacement funds, staff can start to evaluate service levels and begin re-establishing service to prior levels. However, this needs to be done in a strategic, measured way as re-establishing service means taking on on-going costs. The City must be sure that on-going revenues are sufficient to sustain on-going costs.

In June 2013, San Fernando voters approved a half cent local Transaction Use Tax (Measure A) for a period of seven years, which is projected to raise approximately \$1.6 million annually. Revenues raised through Measure are necessary to fund a number of critical one-time needs, including, but not limited to: 1) establishing a General Fund and Self Insurance Fund reserve, 2) paying off existing debt, 3) eliminating the deficit in the Grant Fund and other Special Revenue funds, 3) re-establishing the City's Equipment Replacement Fund, 4) replacing and updating outdated computer software, hardware and telecommunications systems, 5) establishing a trust to pre-fund Other Post-Employment Benefits (OPEB), and 6) funding over-due capital projects to reduce the City's deferred maintenance costs.

In addition to revenues raised through Measure A, the City is beginning to receive on-going property tax revenue resulting from the dissolution of redevelopment in California. Project Area 3A has reached its statutory cap and the City is now receiving the full share of property taxes generated in that area. Also, the former Redevelopment Agency has satisfied many of its enforceable obligations and the City is receiving a proportional share of the property tax revenues in excess of enforceable obligations (known as residual property tax).

Lastly, the City will continue economic development efforts that retain existing businesses and attract new businesses with the goal of bolstering and diversifying the City's sales and property tax base.

Honorable Mayor and City Council Members
Residents of San Fernando
December 17, 2014

In the upcoming year, the City needs to update a number of outdated financial policies, develop new policies to address certain deficiencies, and develop a five-year financial forecast. The City has been experiencing tough times for many years now, and the rebuilding process will continue to be slow. Nonetheless, the City remains committed to developing a comprehensive plan that provides a roadmap to long-term financial stability.

Financial Information

The City maintains its accounting system with due consideration given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance that assets are adequately safeguarded from waste, fraud and inefficient use. The financial records maintained allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Awards and Acknowledgments

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 San Fernando for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 29th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for the 2014 certification.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire City staff, especially Sonia Garcia (Junior Accountant). This report would not have been accomplished without their support and without the dedication of the audit firm Van Lant & Fankhanel, LLP. Each contributing member of the City staff has my sincere appreciation for the contributions made in the preparation of this report. As a newer member of the City team, I am very impressed with staff's commitment. I would also like to thank the members of the current City Council for their interest and commitment to conducting the financial operations of the City in a responsible and fiscally prudent manner and setting a course for the City that is both progressive and positive.

Respectfully submitted,



Nick Kimball
Finance Director

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ELECTED OFFICIALS

City Council

MAYOR

Sylvia Ballin

MAYOR PRO TEM

Robert C. Gonzales

COUNCILMEMBERS

Jesse H. Avila

Joel Fajardo

Antonio Lopez

City Treasurer

Margarita Solis

ADMINISTRATION AND DEPARTMENT HEADS

City Manager

Brian Saeki

Deputy City Manager/

Chris Marcarello

Public Works Director

Community Development Director

Fred Ramirez

Finance Director

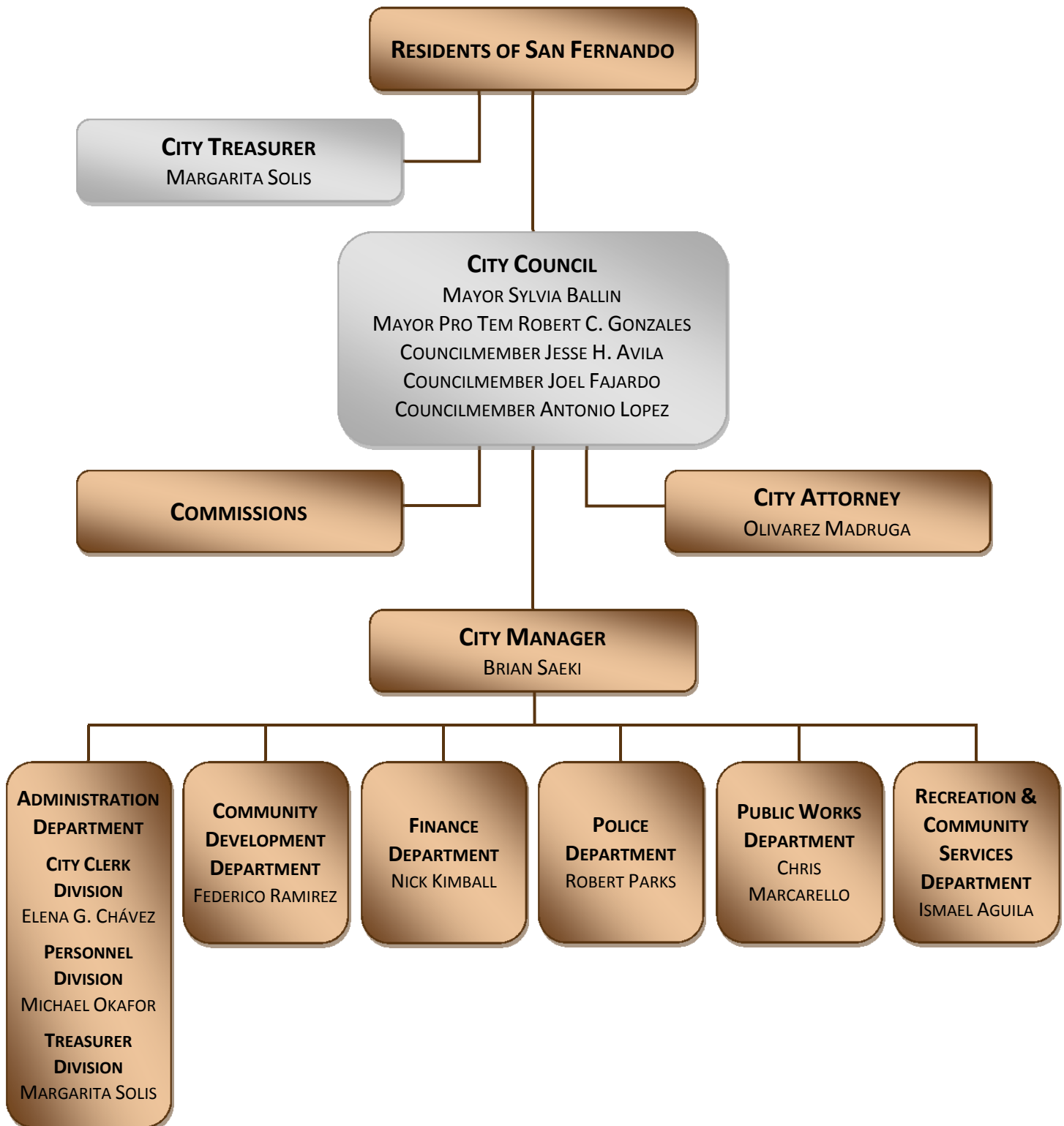
Nick Kimball

Police Chief

Robert Parks

Recreation & Community Services
Director

Ismael Aguila



Legend:

ELECTED
OFFICIAL



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of San Fernando
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

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II. Financial Section



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Independent Auditor's Report

The Honorable City Council
City of San Fernando, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Fernando (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Fernando, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, as of June 30, 2014, the General Fund has a deficit fund balance and, in addition, the obligation for post-employment benefits is increasing significantly each year. Management's plans regarding these matters are described in Note 10. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, schedules listed in the Supplementary Information section of the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Van Lant & Fankhaed, LLP". The signature is written in a cursive, flowing style.

December 17, 2014

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

This section of the Comprehensive Annual Financial Report provides a narrative overview and analysis of the financial activities of the City of San Fernando (City) for the fiscal year ended June 30, 2014. As management of the City, we encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found beginning on pages i - vii, and the City's financial statements beginning on page 19.

FINANCIAL HIGHLIGHTS

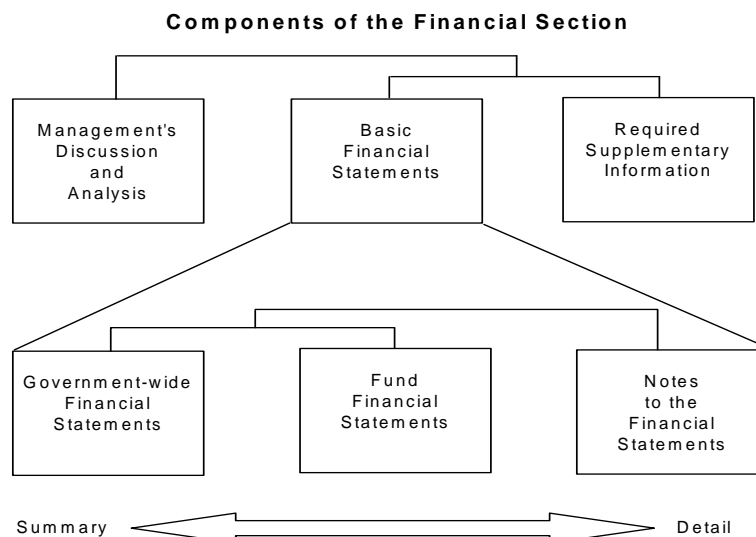
The following are some key financial highlights for the fiscal year ending June 30, 2014:

- ❖ The City's assets exceeded liabilities at by \$63,052,833 (total net position), and the unrestricted net position was (\$11,581,924) at June 30, 2014.
- ❖ The City's total net position, including all activities, increased by \$5,448,747 compared to June 30, 2013.
- ❖ As of June 30, 2014, the City's governmental funds reported combined fund balances of \$6,026,992, which is an increase of \$8,583,427 from June 30, 2013.
- ❖ As of June 30, 2014, the total fund balance for the General Fund was (\$5,693,905), a decrease of \$3,946,853 from June 30, 2013. Fund balance is classified per GASB Statement No. 54 as Nonspendable (\$739,783), Assigned (\$ -), and Unassigned (-\$6,433,688). Additional information on the fund balances is located in Note 1.
- ❖ As of June 30, 2014, the City's other governmental funds, excluding the General Fund, reported combined ending fund balances of \$11,720,897.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: 1) Management's Discussion and Analysis, 2) the basic financial statements, 3) required supplementary information, and 4) *optional* combining statements for non-major governmental funds.

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 Financial Statements.



Government-wide Financial Statements

The Government-wide Financial Statements are designed to present financial information about the City as a whole in a manner similar to a private-sector business, including the use of accrual-based accounting to recognize revenues and expenses. *Governmental activities*, which are principally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on user fees and charges to fund operations. *Governmental activities* include those traditionally associated with local government, such as public safety, public works, community development, recreation, and general government (administrative) functions. *Business-type activities* include the City's water and wastewater utility operations.

The Statement of Net Position presents information on all of the City's assets, including capital assets, and all related current liabilities and long-term obligations. The difference between total assets and total liabilities is presented as net position, which serves as a measure of the financial health of the City. 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. Decreases in net position are presented as "Expenses;" increases in net position are presented as "Revenues." Revenues directly attributable to a particular function within the City are presented as "Program Revenues." Tax revenues, including those restricted to a particular program function, are reported as "General Revenues" unless specifically required to be reported as program revenues.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., revenues pertaining to uncollected taxes, or expenses pertaining to earned, but unused, vacation and sick leave).

The government-wide financial statements include not only the City itself (known as the primary government), but also two legally separate entities, the San Fernando Redevelopment Agency and the San Fernando Public Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 19 of this report.

Fund Financial Statements

The City, like other state and local governments, uses fund accounting for recording its financial activities. In general, fund accounting provides a mechanism to separately account for a variety of different funding sources and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds organized into one of three categories: Governmental, Proprietary, and Fiduciary Funds. Note that the fund financial statements only present information on the most significant (i.e. "major") funds on the face of the statements. Nonmajor funds are grouped and presented in total on the face of the statements. In addition, the fund financial statements include a schedule that reconciles the fund financial statements to the government-wide financial statements. This is designed to explain the differences created by the integrated approach to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Most of the City's basic services are reported in governmental funds. Governmental funds include the General Fund, Special Revenue, Capital Projects, and Debt Service funds. In the fund financial statements, all governmental fund types are reported using the modified accrual basis of accounting, whereby revenues are generally recognized when measurable and available to finance current operating costs, and expenditures are recognized when the related liability is incurred. In addition, the focus is on inflow (revenues) and outflow (expenditures) of the current period. As such, the balance sheets of governmental funds are intended to present only short-term assets and liabilities.

The fund financial statements include separate columns, by fund type, for all "major" governmental funds of the City. All "Nonmajor" governmental funds are consolidated into a single column labeled "Other Governmental

Fund Financial Statements (cont.)

Funds.” The details of these funds are included in the Combining and Individual Fund Statements and schedules located in the supplementary information section of this report on pages 68-102.

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 City’s near-term financial decisions. Both the governmental fund balance sheet and the governmental fund 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 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (which includes the Self Insurance Fund), Retirement Tax Fund and Housing Fund. Data from the other 21 governmental funds are combined into a single, aggregated presentation of “Other Governmental Funds”. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *non-major governmental funds supplementary information* section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate its compliance with this budget.

Proprietary Funds. Proprietary funds are used to account for services provided to external customers or other City departments and funds that are primarily funded from user fees and charges. Proprietary funds use the accrual basis of accounting and measure the balance and change in *total economic* resources. Accordingly, balance sheets of proprietary funds include all assets and liabilities, including long-term receivables, capital assets, and long-term liabilities. The basis of accounting and measurement focus used to prepare proprietary fund statements is the same that is used to prepare the government-wide statements. Thus, proprietary fund statements provide the same, but more detailed, information about these funds, which are included in the “Business-Type Activity” column of the government-wide statements.

The City maintains two different types of proprietary funds: *Enterprise and Internal Service*.

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, both of which are considered major funds.
- *Internal Service funds* are used by the City to account for its intra-city services: currently the City’s only internal service fund is the Equipment Replacement Fund.

Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section.

The basic proprietary fund financial statements can be found beginning on page 29 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held by the City as trustee on behalf of other agencies or individuals. Fiduciary funds are *not* presented in the accompanying government-wide financial statements since the resources of those funds are *not* available to support the City’s programs. The basis of accounting used for the fiduciary funds is similar to what is used for the proprietary funds. The fiduciary funds financial statements are located in the basic financial statements section of this report.

Fund Financial Statements (cont.)

The City uses fiduciary funds to account for the activities of the Successor Agency and one other small agency fund where the City serves as custodian.

Notes to Basic Financial Statements

The notes to basic financial statements 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 basic financial statements can be found beginning on page 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* beginning on page 63 of this report. This section includes a comparison of budgeted to actual results for the general and major special revenue funds.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 72 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In this case, City assets exceeded liabilities by \$63,052,833 at June 30, 2014.

The largest portion of the City's net position, \$62,725,650, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the City's net position, \$11,909,107, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, if any, may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2014, the City is reporting positive net positions in balances in two categories: 1) Net Investment in Capital Assets, and 2) Restricted; the City's governmental activities unrestricted net position were a deficit of \$20,208,301.

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Government-wide Financial Analysis (cont.)

Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 8,850,871	\$ 1,470,512	\$ 9,190,228	\$ 9,154,489	\$ 18,041,099	\$ 10,625,001
Capital assets	48,755,097	50,776,007	14,866,478	14,420,860	63,621,575	65,196,867
Total assets	57,605,968	52,246,519	24,056,706	23,575,349	81,662,674	75,821,868
Liabilities:						
Current and other liabilities	4,267,981	5,278,832	563,851	662,321	4,831,832	5,941,153
Long-term liabilities	13,778,009	12,276,629	-	-	13,778,009	12,276,629
Total liabilities	18,045,990	17,555,461	563,851	662,321	18,609,841	18,217,782
Net position:						
Net Investment in Capital Assets	47,859,172	49,532,007	14,866,478	14,420,860	62,725,650	63,952,867
Restricted	11,909,107	1,802,498	-	-	11,909,107	1,802,498
Unrestricted	(20,208,301)	(16,643,447)	8,626,377	8,492,168	(11,581,924)	(8,151,279)
Total net position	\$ 39,559,978	\$ 34,691,058	\$ 23,492,855	\$ 22,913,028	\$ 63,052,833	\$ 57,604,086

Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (i.e. year-end). In contrast, the Statement of Activities provides details of how net position changed from the prior year. Generally, it indicates whether the financial health of the City as a whole is better at June 30, 2014, in relation to a year earlier.

For the fiscal year ended June 30, 2014, total net position increased by \$5,448,747. Key elements of this increase are as follows:

- ❖ Governmental activities increased the City's net position by \$4,868,920 due to significant increases in residual Property taxes and housing assets received from dissolution of the former Redevelopment Agency and Sales taxes due to the half-cent sales tax approved by City voters.
- ❖ Business-type activities increased the City's net assets by \$579,827 due to an increase in user fees as part of a multi-year to plan increase utility revenues.

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Government-wide Financial Analysis (cont.)

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2014, with comparative totals for the fiscal year ended June 30, 2013.

	Summary of Activities					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 4,267,788	\$ 3,696,311	\$ 7,991,900	\$ 7,315,608	\$ 12,259,688	\$ 11,011,919
Operating grants and contributions	2,851,032	3,139,513	-	-	2,851,032	3,139,513
Capital grants and contributions	1,204,330	719,000	-	-	1,204,330	719,000
General revenues						
Taxes	15,373,349	11,842,117	-	-	15,373,349	11,842,117
Investment earnings and other	590,643	378,137	10,458	16,079	601,101	394,216
Total revenue	24,287,142	19,775,078	8,002,358	7,331,687	32,289,500	27,106,765
Expenses						
General government	4,619,200	6,459,914	-	-	4,619,200	6,459,914
Public safety	10,190,441	9,414,862	-	-	10,190,441	9,414,862
Community development	981,236	999,751	-	-	981,236	999,751
Public works	6,052,317	5,503,387	-	-	6,052,317	5,503,387
Parks and recreation	1,781,749	2,224,370	-	-	1,781,749	2,224,370
Capital Outlay	-	-	-	-	-	-
Interest and fiscal charges	58,565	72,425	-	-	58,565	72,425
Enterprise operations	-	-	6,702,823	6,996,779	6,702,823	6,996,779
Total expenses	23,683,508	24,674,709	6,702,823	6,996,779	30,386,331	31,671,488
Increase (decrease) in net position before transfers	603,634	(4,899,631)	1,299,535	334,908	1,903,169	(4,564,723)
Transfers (out)	719,708	121,000	(719,708)	(121,000)	-	-
Transfers from Fiduciary Fund	3,545,578	-	-	-	3,545,578	-
Increase (decrease) in net position	4,868,920	(4,778,631)	579,827	213,908	5,448,747	(4,564,723)
Net position – beginning	34,691,058	39,469,689	22,913,028	22,699,120	57,604,086	62,168,809
Net position – ending	\$ 39,559,978	\$ 34,691,058	\$ 23,492,855	\$ 22,913,028	\$ 63,052,833	\$ 57,604,086

Governmental Activities

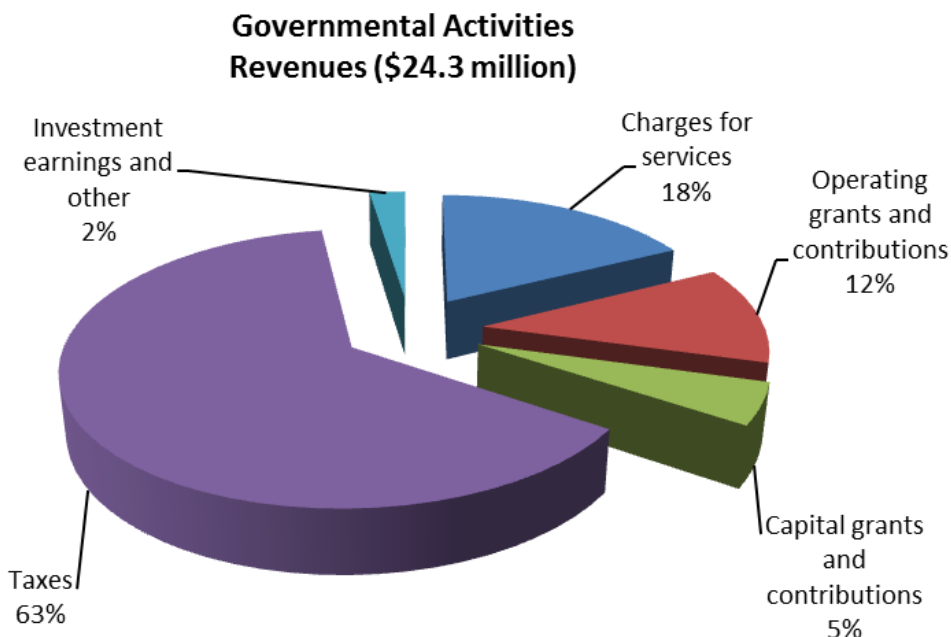
The City's net position from governmental activities increased by \$4,868,920, which is a result of a \$4.5 million increase in total revenues, a \$1 million decrease in total expenses, and a \$4.1 million increase in transfers. The significant increase in transfers is a result of transferring the assets of the former Low/Moderate Income Housing Fund to the City as the Housing Successor. The changes in revenue and expenses are discussed in more detail below.

Revenue Highlights

Total revenues of governmental activities were \$24,287,142. The largest component of total revenue is taxes at \$15.4 million, making up 63% of total revenues. This is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes. The highest tax revenues received by the General Fund include Property Tax (\$8.4 million), Sales Tax (\$4.2 million), and business tax (\$1.0 million). Some of the key changes in revenues are:

- Property taxes increased by \$1.8 million compared to the prior year primarily due to residual property tax received as a result of dissolution of the San Fernando Redevelopment Agency.
- Sales tax revenues increased by \$1.5 million compared to the prior year. This is due to the half-cent sales tax approved by San Fernando voters in 2013 as well as overall improvement in the economy.
- Franchise taxes increased by \$115,000 due to the award of a new refuse franchise agreement.

The governmental activities' chart below illustrates operating revenues by source. Taxes, which include sales, property, motor vehicle license, business and other taxes are general revenues used to support overall government functions. These sources account for approximately 63% of total governmental revenue. Operating and capital grants and contributions make up 17% of revenues while charges for services amount to 18% of total governmental revenues.

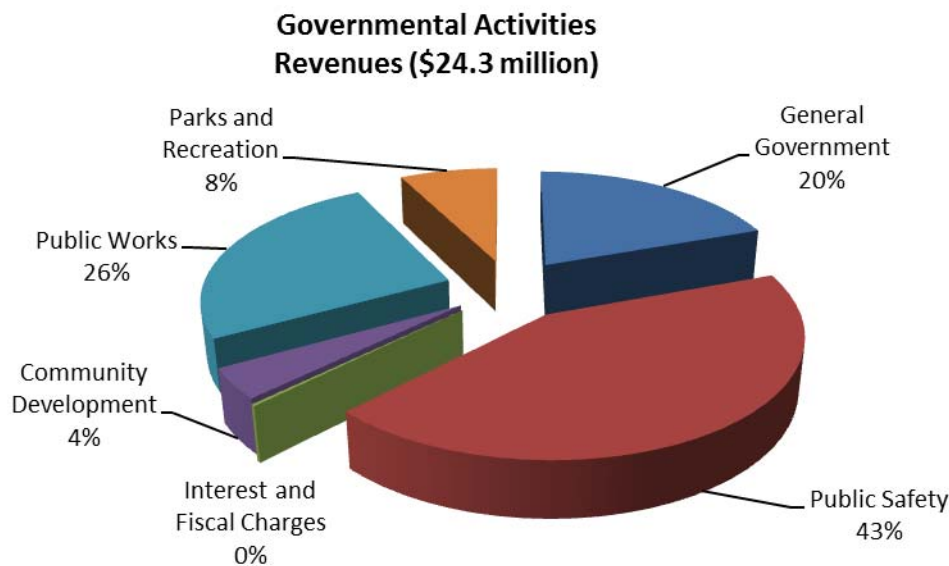


Governmental Activities (cont.)

Expense Highlights

Functional expenses for the year totaled \$23.7 million in the governmental funds, a decrease of \$991,000 from the prior year. Increases of \$800,000 and \$550,000 in Police and Public Works, respectively, were offset by decreases of \$1.9 million and \$200,000 in General Government and Recreation, respectively. The decrease is attributable to a hiring freeze and employee furloughs for nine months of the fiscal year as well as a change in the way the City pays CalPERS retirement costs. Until fiscal year 2012-2013, the City transferred funds from the Retirement Fund to the General Fund to pay CalPERS costs. In fiscal year 2013-2014, the City discontinued the transfer to the General Fund and now pays CalPERS costs directly from the Retirement Fund.

Public Safety activities accounted for approximately \$10.2 million (43%) and Public Works activities accounted for approximately \$6.1 million (26%) of the total expenses in the governmental activities. A large portion of Public Safety and Public Works expenses are funded from general revenues, primarily taxes. General Government Expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources, and City Attorney contract) accounted for approximately \$4.6 million (20%) of total expenses. Community Development (\$981,000) and Recreation and Community Services (\$1.8 million) account for the remaining 12% of expenses.



Business-Type Activities

The City's business-type activities realized a \$580,000 increase in net position.

The City's Water Utility and Sewer/Wastewater operations are the two largest business-type operations, with charges for service being the primary funding source. The chart below shows a comparison of program revenues to expenses and to prior year for each of the City's business-type activities.

Revenue Highlights

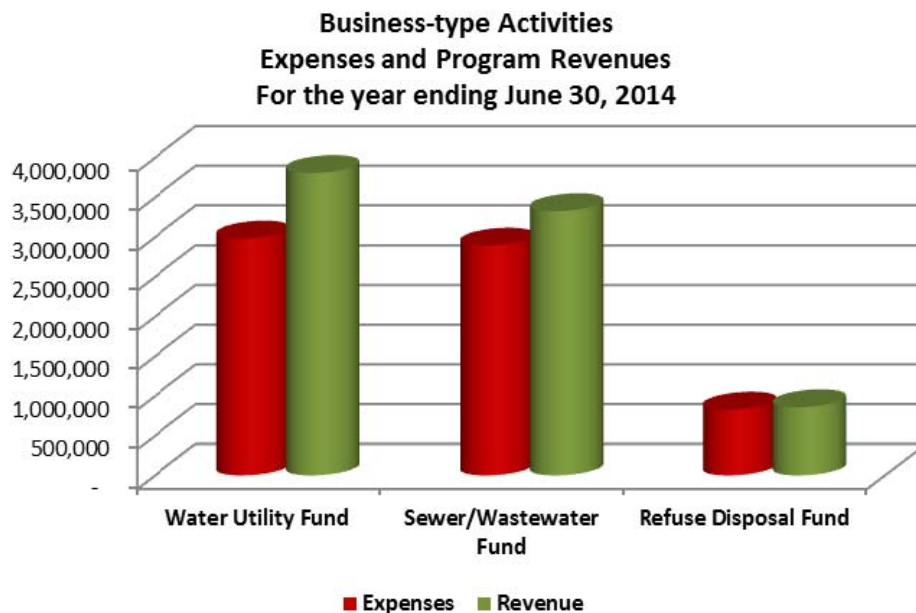
Total program revenues for the fiscal year ended June 30, 2014 were approximately \$8 million, an increase of approximately \$675,000 from the prior year. This was primarily due to increase rates, which were implemented as part of a multi-year plan to increase revenues to fund needed capital improvements to the water and sewer systems.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Business-Type Activities (cont.)

Expense Highlights

Total expenses for the fiscal year ended June 30, 2014 were approximately \$6.7 million, a decrease of approximately \$300,000 from the prior year. The primary reason for the decrease was the awarding of a new Franchise Agreement for refuse disposal services during the fiscal year. Refuse disposal services, including operations, billing and collections, were completely transferred to the franchisee. Consequently, activity in the Refuse Fund is primarily related to transitioning and winding down operations.



GOVERNMENT FUNDS FINANCIAL ANALYSIS

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$2,478,809, which is an increase of \$5,035,244 from June 30, 2013. The City's governmental funds report a deficit of (\$6,671,972) in its *unassigned fund balance*, which is a deficit increase of (\$1,791,814) from June 30, 2013. The remainder of the fund balance is either nonspendable or restricted to indicate that it is not available for new spending because it has already been reserved for the following:

- 1) \$37,250 for inventories;
- 2) \$140,000 for long-term receivables;
- 3) \$469,413 for prepaid items;
- 4) \$211,840 for advances to other funds; and
- 5) \$11,840,461 restricted for transportation, housing, air pollution, parks and recreation, public safety and retirement.

The following is a summary of significant changes to fund balance in the major governmental funds.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

GOVERNMENT FUNDS FINANCIAL ANALYSIS (cont.)

General Fund. The General Fund is the chief operating fund of the City. The General Fund's deficit fund balance increase from (\$1,747,052) on June 30, 2013 to (\$5,693,905) on June 30, 2014. The deficit fund balance is due primarily to transfers from the General Fund to other funds (specifically, transfers to the Retirement Fund and the Capital Grants fund) to reflect a payoff and consolidation of all internal debt under the General Fund. This eliminated the deficit fund balances in other special revenue funds.

Retirement Tax Fund. The Retirement Tax Fund is a special revenue fund used to account for the City's special property tax levy that must be used to pay City employees' pension obligation. The fund balance increased from a deficit of (\$497,363) on June 30, 2013 to a positive fund balance of \$5,845,997 on June 30, 2014. This dramatic increase is due to recording of a \$5.2 million advance from the Retirement Fund to the General Fund for Retirement Fund money used by the General Fund for retiree healthcare costs between fiscal year 2004-2005 and fiscal year 2013-2014. Going forward, the City no longer uses the retirement property tax levy funds to pay for retiree healthcare costs.

Proprietary Funds. Unlike governmental funds, proprietary funds use the accrual basis of accounting for financial statement purposes. Accordingly, information reported for the individual fund statements is very similar to that presented as Business-Type Activities in the government-wide statements. Government-wide reporting requires the inclusion of activities of the City's internal service funds related to proprietary fund activities in the Business-Type Activities. Therefore, the following analysis is very similar to that presented for Business-Type Activities.

Enterprise Funds. Total net position of the enterprise funds amounted to \$23,492,855, which represents an increase of \$579,827 in net position for the year ended June 30, 2014.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for purchases of vehicles throughout the City. As of June 30, 2014, total net position of the internal service funds was (\$493) due to replacement of certain vehicles during the fiscal year. The services provided by the internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the main operating fund of the City. Its revenues are primarily derived from taxes and charges for services, which are used to pay for the traditional services provided by local government - public safety, parks and recreation, community development (building and planning), and public works.

Revenues. Through June 30, 2014, actual General Fund revenues were \$15,990,954, compared to the \$14,371,567 final budget amount. Actual revenues exceeded budgeted revenues by approximately \$1.6 million, which is predominately due to additional property tax received as residual from the dissolution of the Redevelopment Agency.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

Summary of General Fund Revenues

Budget and Actual

June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues				
Taxes	\$ 8,236,852	\$ 8,287,182	\$ 9,513,749	\$ 1,226,567
Licenses and Permits	353,000	353,000	410,512	57,512
Charges for Services	2,407,716	2,459,916	2,601,036	141,120
Fines and Forfeitures	587,500	587,500	561,170	(26,330)
Investment Earnings	216,000	216,000	216,144	144
Intergovernmental	1,984,145	2,009,179	2,002,695	(6,484)
Other	452,770	458,790	685,648	226,858
Total Revenues	\$ 14,237,983	\$ 14,371,567	\$ 15,990,954	\$ 1,619,387

Expenditures. Actual General Fund expenditures were \$14,405,487, compared to the \$14,687,899 final budget amount. Budget savings were largely realized in the Fire services. A new contract was negotiated with the City of Los Angeles to provide Fire Services under a different compensation methodology, which greatly reduced the City's fire services cost.

Summary of General Fund Expenditures

Budget and Actual

June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
Expenditures				
General government:				
City Council	\$ 90,038	\$ 88,024	\$ 85,946	\$ 2,078
Treasurer	139,843	139,750	141,843	(2,093)
Administration	294,941	261,211	234,490	26,721
Personnel	295,651	299,651	301,603	(1,952)
City Attorney (contract)	250,000	250,000	287,668	(37,668)
City Clerk	122,748	122,748	124,922	(2,174)
Elections	-	552	552	-
Finance	553,055	543,735	575,206	(31,471)
Retirement and Nondepartmental	694,036	299,016	371,634	(72,618)
Public safety:				
Police	5,931,845	5,739,107	5,894,743	(155,636)
Fire (contract)	2,720,052	2,808,988	2,224,887	584,101
Community development	815,777	811,854	769,936	41,918
Public works	2,026,874	2,006,082	2,080,154	(74,072)
Parks and recreation	1,319,866	1,317,181	1,311,903	5,278
Total Expenditures	15,254,726	14,687,899	14,405,487	282,412

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$48,755,097 (net of accumulated depreciation of \$48,856,898) as of June 30, 2014. This investment in capital assets includes land, buildings, improvements other than building, infrastructure (roads, sidewalks, streetlights, etc.), and machinery and equipment. The total change in the City's investment in capital assets through June 30, 2014 was \$1,739,643 before depreciation.

Capital Assets
Net of Accumulated Depreciation
June 30, 2014

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 4,397,105	\$ 1,683,163	\$ 6,080,268
Capital assets being depreciated	93,214,890	35,300,311	128,515,201
Less accumulated depreciation	(48,856,898)	(22,116,996)	(70,973,894)
Net Capital Assets	48,755,097	14,866,478	63,621,575

Additional information on the City's capital assets can be found in Note 4 to the basic financial statements on pages 49-50 of this report.

Major capital asset events during the current fiscal year included the following:

Governmental activities:

- ❖ Capital asset additions in governmental activities include: Wayfinding Signs, Lopez Adobe Rehabilitation, and construction of the parking lot at the San Fernando pool/Recreation Park.

Business-type activities:

- ❖ Upgrades relating to the water and sewer systems including construction of Nitrate Removal System Project, installation of Water Meters, and development of a Sanitary Sewer Master Plan.

Debt Administration. As of June 30, 2014, total long-term debts amounted to \$15,670,483. Total long-term debts in governmental activities consist of the following:

Long-Term Liabilities (Note 6)
June 30, 2014

	Outstanding Balance	Due Within One Year
CHFA Loan	\$ 612,692	\$ 612,692
Section 108 Loan	960,000	301,000
Claims Payable	3,498,556	676,000
Compensated Absences	1,495,219	302,782
Other Post-Employment Benefits	9,104,016	-
Net Capital Assets	\$ 15,670,483	\$ 1,892,474

The City's total debt increased by \$1.7 million during the current fiscal year, primarily due to increased liability for claims payable and other post-employment benefits (OPEB).

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

State statutes limit the amount of general obligation debt a governmental entity may issue to fifteen percent (15%) of its total assessed valuation. The current debt limitation for the City is approximately \$58.5 million, which is significantly in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements on pages 51-53 of this report.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

Economy. Similar to other cities throughout the region, San Fernando's economy has shown continued improvements. The General Fund, the City's primary operating fund from which the traditional services associated with local government are provided (police, fire, recreation, engineering, etc.), is particularly affected by economic downturns. Key revenues, such as property tax, sales tax, business tax, and building permits experienced significant declines during the "Great Recession." Although the City endeavored to keep General Fund revenues and expenditures in balance through a combination of spending cuts, labor concessions, and one-time solutions, the General Fund reserve was completely depleted. In order to avoid significant financial disaster, San Fernando voters approved a half-cent transaction and use tax to raise desperately needed revenue.

Although most macro-economic indicators show signs of an improving economy, it continues to be a slow journey. The Great Recession was not just a temporary bump in the road, it was an economic correction. Now that the City's revenues have stabilized and the current economic outlook is more favorable than in recent years, the City is in the process of re-aligning resources to operate within this "new normal" and rebuild a strong financial base.

Budget Outlook. For the fiscal year ending June 30, 2014, the City of San Fernando maintained a conservative budget in light of reduced revenues due to the ongoing slowly recovering economy. The City took significant steps to address the fiscal challenges, including implementing employee furloughs, increasing contributions by employees for benefits, initiating a voter approved half cent transaction and use tax, and deferring capital purchases where deemed appropriate.

In the upcoming fiscal year 2014-15, the City will continue to realign operations and employee compensation with current economic realities in order to ensure that the City can provide a high level of service to residents while fairly compensating current and retired employees.

Currently, the biggest threat to the long-term financial health of the City, and many cities across the country, is substantial increases in PERS and retiree medical costs. According to actuarial studies provided by PERS, over the next two years, San Fernando's PERS rates will increase by approximately 15% for safety and 10% for non-safety employees.

Additionally, the City is only making the minimum "pay-as-you-go" payment for retiree health care costs, which is approximately \$1 million annually. According to a recent actuarial study for Other Post Employment Benefits (OPEB), the City needs to set aside an additional \$1.4 million per year in a special trust fund to fully fund retiree health care.

Funds raised through the transaction tax (Measure A) are imperative to the City's short-term viability as they will be used to pay off existing debt, shore up the Self Insurance Fund and establish a General Fund reserve. Measure A funds will also be useful in re-establishing the City's Equipment Replacement Fund and potentially used to establish a OPEB trust to fund future retiree health benefits.

While the outlook for the General Fund is optimistic for the first time in several years, it is important to note that the FY 2014-2015 budget still has a significant structural deficit. As previously mentioned, PERS rates and retiree health care costs are projected to increase faster than revenues. Additionally, there is no funding set aside for replacing aging vehicles, computers, telephone system and finance system. Prudent financial planning dictates that funding is set aside annually according to an amortization schedule to ensure that critical equipment is replaced when necessary.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)

Lastly, the current budget relies on \$1 million in one-time revenue from the sale of surplus property to balance the budget. Fortunately, the City also has some significant debt expenditures, including the California Housing Finance Agency (CalHFA) loan, which will be retired in the current fiscal year.

The objective of the FY 2014-2015 budget is to continue the provision of existing services in a fiscally responsible manner, with no new cuts or layoffs. The fiscal problems the City has experienced over the past several years have left many needs that cannot be met at this time. Consequently, there is a growing backlog of maintenance and capital projects that will have to be deferred into future years until the City has the capital to address that backlog.

The City's financial position is starting to turn, but additional ways to provide service will need to be explored to address the ongoing structural deficit, begin building a reserve, fund savings accounts for needed maintenance and equipment replacement, and restore services and programs to the community. Restoring financial sustainability will continue to be a responsibility of City leadership. Living within our means; establishing healthy reserves; safeguarding the current quality of life and standard of living without sacrificing the future; creating a healthier and "greener" economy; prudently investing in long-term facilities and assets; partnering with the community to work together toward common goals; and making wise decisions despite political pressures to defer or deny them are all vital to working toward "sustainable prosperity" for San Fernando.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or requests for additional financial information should be addressed to Nick Kimball, Finance Director at nkimball@sfcity.org or 117 Macneil Street, San Fernando, California, 91340.

BASIC FINANCIAL STATEMENTS

City of San Fernando
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 3,019,641	\$ 7,467,592	\$ 10,487,233
Receivables:			
Taxes	1,221,758	-	1,221,758
Accounts	386,352	1,015,384	1,401,736
Interest	2,443	-	2,443
Grants	148,963	-	148,963
Loans Receivable	2,261,652	-	2,261,652
Due From Fiduciary Fund	211,840	-	211,840
Internal Balances	1,091,559	707,252	1,798,811
Prepaid Items	469,413	-	469,413
Inventories	37,250	-	37,250
Capital Assets, Not Depreciated	4,397,105	1,683,163	6,080,268
Capital Assets, Depreciated, Net	44,357,992	13,183,315	57,541,307
	<u>57,605,968</u>	<u>24,056,706</u>	<u>81,662,674</u>
Total Assets			
LIABILITIES			
Accounts Payable	1,202,403	248,214	1,450,617
Accrued Liabilities	537,956	70,454	608,410
Deposits Payable	192,915	245,183	438,098
Retentions Payable	19,633	-	19,633
Unearned Revenue	422,600	-	422,600
Long-Term Liabilities			
Due Within One Year	1,892,474	-	1,892,474
Due in More Than One Year	13,778,009	-	13,778,009
	<u>18,045,990</u>	<u>563,851</u>	<u>18,609,841</u>
Total Liabilities			
NET POSITION			
Net Investment in Capital Assets	47,859,172	14,866,478	62,725,650
Restricted for:			
Transportation	2,172,109	-	2,172,109
Housing	3,548,183	-	3,548,183
Parks & Recreation	264,867	-	264,867
Public Safety	77,951	-	77,951
Retirement	5,845,997	-	5,845,997
Unrestricted	(20,208,301)	8,626,377	(11,581,924)
	<u>\$ 39,559,978</u>	<u>\$ 23,492,855</u>	<u>\$ 63,052,833</u>
Total Net Position			

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Activities
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 4,619,200	\$ 820,334	\$ -	\$ -
Public Safety	10,190,441	1,538,619	1,366,590	-
Community Development	981,236	431,884	263,288	-
Public Works	6,052,317	912,209	1,002,753	1,204,330
Parks and Recreation	1,781,749	564,742	218,401	-
Interest Expense	58,565	-	-	-
Total Governmental Activities	23,683,508	4,267,788	2,851,032	1,204,330
Business-type Activities:				
Water	2,981,710	3,806,797	-	-
Sewer	2,893,127	3,326,587	-	-
Waste Disposal	827,986	858,516	-	-
Total Business-type Activities	6,702,823	7,991,900	-	-
Total Primary Government	\$ 30,386,331	\$ 12,259,688	\$ 2,851,032	\$ 1,204,330

General Revenues:

Taxes:

Property

Sales and Use

Property Taxes in lieu of Sales and Use Taxes

Business License Taxes

Franchise

Other Taxes

Investment Income

Other

Transfers from Fiduciary Fund

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,798,866)	\$ -	\$ (3,798,866)
(7,285,232)	-	(7,285,232)
(286,064)	-	(286,064)
(2,933,025)	-	(2,933,025)
(998,606)	-	(998,606)
(58,565)	-	(58,565)
<u>(15,360,358)</u>	<u>-</u>	<u>(15,360,358)</u>
-	825,087	825,087
-	433,460	433,460
-	30,530	30,530
<u>-</u>	<u>1,289,077</u>	<u>1,289,077</u>
<u>(15,360,358)</u>	<u>1,289,077</u>	<u>(14,071,281)</u>
8,406,309	-	8,406,309
4,175,825	-	4,175,825
963,741	-	963,741
1,043,365	-	1,043,365
409,176	-	409,176
374,933	-	374,933
16,790	10,458	27,248
573,853	-	573,853
3,545,578	-	3,545,578
719,708	(719,708)	-
<u>20,229,278</u>	<u>(709,250)</u>	<u>19,520,028</u>
4,868,920	579,827	5,448,747
<u>34,691,058</u>	<u>22,913,028</u>	<u>57,604,086</u>
<u>\$ 39,559,978</u>	<u>\$ 23,492,855</u>	<u>\$ 63,052,833</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue	
		Retirement Tax	Housing
ASSETS			
Cash and Investments	\$ -	\$ 276,103	\$ 56,193
Receivables:			
Taxes	1,078,705	48,570	-
Accounts	265,746	-	-
Interest	2,443	-	-
Grants	-	-	-
Inventories	37,250	-	-
Loans Receivable	140,000	-	1,699,052
Advances to Other Funds	211,840	5,627,101	1,798,811
Prepaid Items	350,693	-	-
Total Assets	<u>\$ 2,086,677</u>	<u>\$ 5,951,774</u>	<u>\$ 3,554,056</u>
LIABILITIES			
Accounts Payable	\$ 705,887	\$ 370	\$ -
Accrued Liabilities	397,839	105,407	60
Deposits	186,035	-	5,813
Retentions Payable	19,444	-	-
Due to Other Funds	669,368	-	-
Advances From Other Funds	5,419,890	-	-
Total Liabilities	<u>7,398,463</u>	<u>105,777</u>	<u>5,873</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Taxes	382,119	-	-
Unavailable Revenues - Grants	-	-	-
Unavailable Revenues - Long-term Loans	-	-	-
Total Deferred Inflows of Resources	<u>382,119</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventories	37,250	-	-
Long-term Receivables	140,000	-	-
Prepaid Items	350,693	-	-
Advances to Other Funds	211,840	-	-
Restricted For:			
Transportation	-	-	-
Housing	-	-	3,548,183
Air Pollution	-	-	-
Parks and Recreation	-	-	-
Public Safety	-	-	-
Retirement	-	5,845,997	-
Unassigned	(6,433,688)	-	-
Total Fund Balances	<u>(5,693,905)</u>	<u>5,845,997</u>	<u>3,548,183</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,086,677</u>	<u>\$ 5,951,774</u>	<u>\$ 3,554,056</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total
\$ 2,663,079	\$ 2,995,375
94,483	1,221,758
120,606	386,352
-	2,443
148,963	148,963
-	37,250
422,600	2,261,652
-	7,637,752
118,720	469,413
<u>\$ 3,568,451</u>	<u>\$ 15,160,958</u>
\$ 471,387	\$ 1,177,644
34,650	537,956
1,067	192,915
189	19,633
245,095	914,463
-	5,419,890
<u>752,388</u>	<u>8,262,501</u>
-	382,119
66,746	66,746
422,600	422,600
<u>489,346</u>	<u>871,465</u>
-	37,250
-	140,000
118,720	469,413
-	211,840
1,976,744	1,976,744
-	3,548,183
135,092	135,092
264,867	264,867
69,578	69,578
-	5,845,997
<u>(238,284)</u>	<u>(6,671,972)</u>
<u>2,326,717</u>	<u>6,026,992</u>
<u>\$ 3,568,451</u>	<u>\$ 15,160,958</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

Fund Balances for Governmental Funds	\$ 6,026,992
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets net of depreciation have not been included as financial resources in the governmental fund activity.

Capital Assets	97,611,995
Accumulated Depreciation	(48,856,898)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2014 are:

Loans Payable	(1,572,692)
Claims Payable	(3,498,556)
Compensated Absences	(1,495,219)
Other Post-employment Benefit Obligation	(9,104,016)

Long-term receivables that are not available for current use. Amounts are recorded as unavailable revenue under the modified accrual basis of accounting.	448,865
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The internal service fund is used by management to charge the costs of equipment purchases to individual funds. The assets and liabilities of the internal service fund are included in the Statement of Net Position.	(493)
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Net Position of Governmental Activities	\$ 39,559,978
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The accompanying notes are an integral part of this statement.

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City of San Fernando
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General Fund	Special Revenue	
		Retirement Tax	Housing
REVENUES			
Taxes	\$ 9,513,749	\$ 3,474,171	\$ -
Licenses and Permits	410,512	-	-
Charges for Services	2,601,036	-	-
Fines and Forfeitures	561,170	-	-
Investment Earnings	216,144	-	2,605
Intergovernmental	2,002,695	37,764	-
Other	685,648	-	-
Total Revenues	15,990,954	3,511,935	2,605
EXPENDITURES			
Current:			
General Government	2,023,864	356,037	-
Public Safety	8,119,630	1,208,689	-
Community Development	769,936	-	-
Public Works	2,080,154	633,830	-
Parks and Recreation	1,311,903	107,175	-
Capital Outlay	-	-	-
Debt Service:			
Principal	100,000	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	14,405,487	2,305,731	-
Excess of Revenues Over (Under) Expenditures	1,585,467	1,206,204	2,605
OTHER FINANCING SOURCES (USES)			
Transfers from Fiduciary Fund	-	-	3,545,578
Transfers In	972,685	5,192,525	-
Transfers Out	(6,505,005)	(55,369)	-
Total Other Financing Sources (Uses)	(5,532,320)	5,137,156	3,545,578
Net Change in Fund Balances	(3,946,853)	6,343,360	3,548,183
Fund Balances, Beginning of Year	(1,747,052)	(497,363)	-
Fund Balances, End of Year	\$ (5,693,905)	\$ 5,845,997	\$ 3,548,183

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total
\$ 1,384,220	\$ 14,372,140
-	410,512
318,821	2,919,857
28,401	589,571
13,655	232,404
2,574,853	4,615,312
327,728	1,013,376
<u>4,647,678</u>	<u>24,153,172</u>
18,675	2,398,576
483,253	9,811,572
5,510	775,446
1,534,948	4,248,932
274,007	1,693,085
464,855	464,855
284,000	384,000
58,565	58,565
<u>3,123,813</u>	<u>19,835,031</u>
<u>1,523,865</u>	<u>4,318,141</u>
-	3,545,578
1,966,557	8,131,767
(851,685)	(7,412,059)
<u>1,114,872</u>	<u>4,265,286</u>
2,638,737	8,583,427
(312,020)	(2,556,435)
<u>\$ 2,326,717</u>	<u>\$ 6,026,992</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 8,583,427

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 the estimated useful lives as depreciation expense. This the amount by which depreciation exceeded capital outlays in the current period.

Capital Expenditures	785,739
Depreciation Expense	(2,806,649)

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. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Principal Payments	384,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated Absences	(38,438)
Other Post-employment Benefits	(1,658,377)

Claims payable expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net increase/decrease in claims liabilities for the current year.	(379,000)
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Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.	133,970
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The change in net position of the internal service fund is reported with governmental activities	(135,752)
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Change in Net Position of Governmental Activities	\$ 4,868,920
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The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Waste Disposal	Totals	
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,746,843	\$ 4,587,439	\$ 133,310	\$ 7,467,592	\$ 24,266
Customer Accounts Receivable, Net	559,677	452,429	3,278	1,015,384	-
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Due From Other Funds	-	914,463	-	914,463	-
Total Current Assets	3,306,520	5,954,331	136,588	9,397,439	24,266
Noncurrent Assets:					
Advances to Other Funds	-	1,723,113	-	1,723,113	-
Capital Assets:					
Land	26,345	-	-	26,345	-
Water Rights	624,659	-	-	624,659	-
Construction in Progress	857,839	174,320	-	1,032,159	-
Buildings and Plant	5,622,896	118,500	-	5,741,396	-
Infrastructure	15,954,146	5,803,785	-	21,757,931	-
Land Improvement	29,200	-	-	29,200	-
Equipment	6,945,374	772,753	53,657	7,771,784	-
Less: Accumulated Depreciation	(18,029,867)	(4,060,382)	(26,747)	(22,116,996)	-
Total Noncurrent Assets	12,030,592	4,532,089	26,910	16,589,591	-
Total Assets	15,337,112	10,486,420	163,498	25,987,030	24,266
LIABILITIES					
Current Liabilities:					
Accounts Payable	194,506	51,096	2,612	248,214	24,759
Accrued Liabilities	52,128	17,274	1,052	70,454	-
Customer Deposits	245,183	-	-	245,183	-
Total Current Liabilities	491,817	68,370	3,664	563,851	24,759
Noncurrent Liabilities:					
Advances From other Funds	1,609,431	320,893	-	1,930,324	-
Total Noncurrent Liabilities	1,609,431	320,893	-	1,930,324	-
Total Liabilities	2,101,248	389,263	3,664	2,494,175	24,759
NET POSITION					
Net Investment In Capital Assets	12,030,592	2,808,976	26,910	14,866,478	-
Unrestricted	1,205,272	7,288,181	132,924	8,626,377	(493)
Total Net Position	\$ 13,235,864	\$ 10,097,157	\$ 159,834	\$ 23,492,855	\$ (493)

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2014

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Waste Disposal	Totals	
OPERATING REVENUES					
Charges for Services	\$ 3,791,534	\$ 3,326,587	\$ 730,277	\$ 7,848,398	\$ -
Other	15,263	-	128,239	143,502	-
Total Operating Revenues	3,806,797	3,326,587	858,516	7,991,900	-
OPERATING EXPENSES					
Contractual Services	38,422	838,758	610,745	1,487,925	-
Maintenance and Operations	2,357,441	1,921,913	213,208	4,492,562	135,752
Depreciation	582,460	132,456	4,033	718,949	-
Total Operating Expenses	2,978,323	2,893,127	827,986	6,699,436	135,752
Operating Income (Loss)	828,474	433,460	30,530	1,292,464	(135,752)
NONOPERATING REVENUES (EXPENSES)					
Interest Income	1,283	9,116	59	10,458	-
Interest Expense	(3,387)	-	-	(3,387)	-
Total Nonoperating Revenues (Expenses)	(2,104)	9,116	59	7,071	-
Income (Loss) Before Transfers	826,370	442,576	30,589	1,299,535	(135,752)
Transfers In	29,039	12,817	1,222	43,078	-
Transfers Out	(381,893)	(380,893)	-	(762,786)	-
Change in Net Position	473,516	74,500	31,811	579,827	(135,752)
Total Net Position, Beginning of Year	12,762,348	10,022,657	128,023	22,913,028	135,259
Total Net Position, End of Year	\$ 13,235,864	\$ 10,097,157	\$ 159,834	\$ 23,492,855	\$ (493)

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2014

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Waste Disposal	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 3,833,047	\$ 3,312,724	\$ 1,042,956	\$ 8,188,727	\$ -
Payments to Suppliers and Contractors	(1,047,024)	(2,435,981)	(879,257)	(4,362,262)	(110,993)
Payments to Employees	<u>(1,262,744)</u>	<u>(466,648)</u>	<u>(37,632)</u>	<u>(1,767,024)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>1,523,279</u>	<u>410,095</u>	<u>126,067</u>	<u>2,059,441</u>	<u>(110,993)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Loans from (to) Other Funds	1,032,303	848,183	-	1,880,486	-
Interest Expense Paid on Advances	(3,387)	-	-	(3,387)	-
Transfers from Other Funds	29,039	12,817	1,222	43,078	-
Transfers to Other Funds	<u>(61,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>(121,000)</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>996,955</u>	<u>801,000</u>	<u>1,222</u>	<u>1,799,177</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	<u>(990,247)</u>	<u>(174,320)</u>	<u>-</u>	<u>(1,164,567)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	<u>1,283</u>	<u>9,116</u>	<u>59</u>	<u>10,458</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,531,270	1,045,891	127,348	2,704,509	(110,993)
Cash and Cash Equivalents - Beginning of Year	<u>1,215,573</u>	<u>3,541,548</u>	<u>5,962</u>	<u>4,763,083</u>	<u>135,259</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,746,843</u>	<u>\$ 4,587,439</u>	<u>\$ 133,310</u>	<u>\$ 7,467,592</u>	<u>\$ 24,266</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Cash Flows
Proprietary Funds - Continued
Year Ended June 30, 2014

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Waste Disposal	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 828,474	\$ 433,460	\$ 30,530	\$ 1,292,464	\$ (135,752)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	582,460	132,456	4,033	718,949	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(33,087)	(13,863)	184,440	137,490	-
(Increase) Decrease in Inventory	8,770	-	-	8,770	-
(Increase) Decrease in Prepaids	238	-	-	238	-
Increase (Decrease) in Accounts Payable	75,364	(139,323)	(93,819)	(157,778)	24,759
Increase (Decrease) in Accrued Liabilities	1,723	(2,635)	883	(29)	-
Increase (Decrease) in Customer Deposits	59,337	-	-	59,337	-
TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,523,279	\$ 410,095	\$ 126,067	\$ 2,059,441	\$ (110,993)

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>	<u>Successor Agency Private-Purpose Trust Fund</u>
ASSETS		
Cash and Investments	\$ 108,717	\$ 1,119,004
Receivables		
Accounts	16	-
MOU - Swap Meet Property Loan	-	4,319,335
Other Loans	-	627,888
Land Held for Resale	-	468,733
Restricted Assets:		
Cash and Investments with Fiscal Agents	-	1,871,925
	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 108,733</u></u>	<u><u>8,406,885</u></u>
LIABILITIES		
Accounts Payable	\$ 10,347	859
Accrued Liabilities	-	300
Deposits	98,386	-
Interest Payable	-	138,083
Advances from other Funds	-	2,010,651
County Deferral	-	3,513,821
Bonds Payable	-	7,825,000
	<u> </u>	<u> </u>
Total Liabilities	<u><u>\$ 108,733</u></u>	<u><u>13,488,714</u></u>
NET POSITION		
Net Position Held in Trust for Successor Agency		<u><u>\$ (5,081,829)</u></u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2014

	Successor Agency Private-Purpose Trust Fund
ADDITIONS	
Taxes	\$ 1,690,633
Interest Income	117
Other Income	<u>6,484</u>
Total Additions	<u>1,697,234</u>
DEDUCTIONS	
Administrative and Passthrough Costs	607,522
Interest on Bonds	399,786
Transfers to Housing Special Revenue Fund	<u>3,545,578</u>
Total Deductions	<u>4,552,886</u>
Change in Net Position	(2,855,652)
Net Position - Beginning of Year	<u>(2,226,177)</u>
Net Position - End of Year	<u><u>\$ (5,081,829)</u></u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

The City of San Fernando, California was incorporated on August 31, 1911 under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The financial reporting entity includes the accounts of the City of San Fernando (the City), the primary government and its component units.

The financial statements of the City of San Fernando include the financial activities of the City and its component units for which the City is considered to be financially accountable. Financial accountability is determined on the basis of budget adoptions, taxing authority, funding and composition or appointments of the governing board. Blended component units, although legally separate entities, are part of the City's operations and data from these units are therefore combined with data of the City.

Blended Component Units

The City of San Fernando Public Financing Authority is a Joint Exercise of Powers Authority organized and existing under and by virtue of the Joint Exercise of Power Act of the Government Code of the State. The City and the former Redevelopment Agency formed the Authority by the execution of a Joint Exercise of Powers Agreement. The primary purpose of the Authority is to issue bonds and make loans to the Agency. The Authority is accounted for in the City's financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The City Council members, in separate session, serve as the governing board of the Authority. There are no separate financial statements prepared 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 about the reporting government as a whole, except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses 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 that are properly not included among program revenues are reported instead as general revenues.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Separate financial statements for the City's governmental and proprietary funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental and enterprise funds.

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 proprietary fund financial statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonexchange 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 which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by nonspendable fund balance accounts.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Under the modified accrual basis of accounting, revenues are considered to be 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 generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences that are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The City reports the following major governmental funds:

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

The Retirement Tax Special Revenue Fund accounts for receipts from a voter-approved special tax levy that is used to pay for a portion of the cost of the City's participation in the Public Employees Retirement System.

The Housing Special Revenue Fund accounts for receipts from interest and principal repayments from low income housing loans. The proceeds are restricted for low income housing purposes.

The City reports the following major enterprise funds:

The Water Enterprise Fund is used to account for the provision of water services to all residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, operations, maintenance and major construction.

The Sewer Enterprise Fund is used to account for the provision of sewer services to all residents of the City. Processing of sewage is done by the City of Los Angeles under contract.

The Waste Disposal Enterprise Fund is used to account for the collection of solid waste from all residential utility accounts within the City. Solid waste collection and disposal is operated under a contract with a private disposal company.

The City also reports the following fund types:

The Internal Service Fund is used to account for the financing of goods and services provided by one City department to other departments on a cost-reimbursement basis. The City's internal service fund is used to account for equipment replacements.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Successor Agency Private-purpose Trust Fund accounts for the revenues and expenditures of the former Redevelopment Agency.

The Agency Fund is used to account for funds received by the City as an agent for the other entities.

D) Cash and Cash Equivalents

In order to maximize investment return, the City pools its available cash for investment purposes. The cash management pool is used essentially as a demand deposit account by the participating funds. The City has defined cash and cash equivalents, for purposes of the preparation of its statement of cash flows, all deposits and investments purchased with a maturity date of 90 days or less.

E) Investments

Investments are stated at fair value (the value at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

F) Inventories

Inventories of the enterprise funds, consisting primarily of materials and supplies, are stated at cost determined by the first-in, first-out method. Inventories of the governmental funds are recorded as expenditures when purchased.

G) Land Held for Resale

Land held for resale is recorded at the lower of acquisition cost or net realizable value.

H) Capital Assets

Capital assets, which include land, structures and improvements, machinery and equipment and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Capital outlay is recorded as expenditures in the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met.

Capital assets include additions to public domain (infrastructure) which includes certain improvements such as pavement, curb and gutter, sidewalks, traffic control devices, and right-of-way corridors within the City.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The provision for depreciation is computed by use of the straight-line method over the estimated useful lives of assets, which are as follows:

Buildings	50 years
Infrastructure	Up to 50 years
Improvements Other than Buildings	20 years
Furniture and Equipment	Up to 30 years
Vehicles and Related Equipment	Up to 8 years

Water rights are recorded in the Water Enterprise Fund in the amount of \$624,659, which is the net acquisition cost. The asset represents amounts paid to the Metropolitan Water District of Southern California for the right to purchase water. Because the rights have an indefinite life and normally appreciate in value over time, the City has elected not to amortize the cost of water rights. This treatment is in accordance with accounting principles generally accepted in the United States of America.

I) Unavailable Revenues

Unavailable revenues in fund financial statements arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

J) Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K) Compensated Absences

Employees can accrue vacation, sick leave or annual leave depending on the employee's status (management or non-management). In addition, non-management personnel may earn compensation time in lieu of overtime pay. Vacation, annual leave, and compensation leave are paid out 100% upon employee termination. Sick leave is paid out up to 50% upon retirement only.

Both vacation and annual leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are expected to be paid primarily by the General Fund.

L) Claims and Judgments

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. For governmental funds, if claims will not be liquidated from currently available resources, they are recorded only in the government-wide financial statements.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and 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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the government-wide presentation.

N) Property Taxes

Property taxes include assessments on both secured and unsecured property. Secured 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 which are delinquent if not paid by December 10 and April 10. The County of Los Angeles bills and collects the property taxes and remits them to the City in installments during the year. The City records property taxes as revenue when received from the County, except for property taxes received within 60 days after fiscal year-end, which are accrued at June 30th.

The County is permitted by State Law (Article XIII A of the California Constitution) to levy taxes at one percent (1%) of full market value (at time of purchases) and can increase the property's value at no more than two percent (2%) per year. The City receives a share of this basic levy.

O) Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

P) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has no items that qualify for reporting in this category.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds 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 position 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 only one item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Q) Fund Equity

In the government-wide, proprietary funds, and fiduciary fund financial statements, net position is classified in the following categories.

Net Investment in Capital Assets

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

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the City that is not externally restricted for any project or other purpose.

R) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

S) 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. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

Assigned - This classification includes amounts that are constrained by the City Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The City's fund balance policy establishes the authority to assign amounts to be used for specific purposes to the City Council. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City Council establishes, modifies or rescinds fund balance commitments by passage of a resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

Fund Balance Policy

The City Council adopted a Comprehensive Financial Policy on November 3, 2014 that includes a detailed Fund Reserves and Fund Balances policy. The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain unrestricted fund balance in its funds sufficient to fund cash flows of the City and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The purpose of the City's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary shortfalls or unpredicted one-time expenditures.

It is the goal of the City to maintain a contingency reserve of twenty percent (20%) of General Fund "Operating Budget" as originally adopted. Operating Budget for this purpose shall include current expenditure appropriations and shall exclude Capital Improvement Projects and Transfers Out. Appropriation and/or access to these funds are reserved for emergency situations only.

T) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

2) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2014:

	Government-wide Statement of Net Position	Fiduciary Fund Statement of Assets and Liabilities	Total
Cash and Investments	\$ 10,487,233	\$ 1,227,721	\$ 11,714,954
Restricted Cash and Investments	-	1,871,925	1,871,925
Total Cash and Investments	<u>\$ 10,487,233</u>	<u>\$ 3,099,646</u>	<u>\$ 13,586,879</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

2) CASH AND INVESTMENTS - Continued

Cash and investments at June 30, 2014 consisted of the following:

Demand Deposits	\$ 4,977,062
Petty Cash	2,400
Investments	<u>8,607,417</u>
 Total Cash and Investments	 <u>\$ 13,586,879</u>

The City pools its cash and investments for all fund entities except for cash and investments held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on the weighted average cash balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investment Policies

The City's investment policy outlines the guidelines required to be used in effectively managing the City's available cash in accordance with the California Government Code. Summarized below are the investment vehicles that are authorized and certain provisions of the policy that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Allowable Investment Percentage	Maximum Percentage Per Issuer
U.S. Treasury Obligations	5 years	None	N/A
U.S. Government Sponsored Agency Securities	5 years	45%	None
Certificates of Deposits or Time Deposits (collateralized)	5 years	None	Lesser of \$1,000,000 or 1%
Banker's Acceptances	180 days	40%	Lesser of \$1,000,000 or 30%
Commercial Paper	15 days	15%	\$ 500,000
Local Agency Investment Fund (LAIF)	N/A	Unlimited	\$ 15,000,000

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. Most of the City's investments are held in trust by a fiscal agent as required by the bond indenture. A table summarizing distribution of the City's investment by maturity as of June 30, 2014 is as follows:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

2) CASH AND INVESTMENTS - Continued

Investment Type	Remaining Maturity (in Months) 12 Months Or Less
Local Agency Investment Fund Held by Bond Trustees:	\$ 6,755,012
Money Market Mutual Funds	1,852,405
Total	<u>\$ 8,607,417</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. Presented below is the minimum rating required (where applicable) by the California Government Code or the City's investment policy and actual rating by Standard and Poors as of the year ended for each investment type.

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Year End		
			AAA	Not Required to be Rated	Unrated
Local Agency Investment Fund Held by Bond Trustees:	\$ 6,755,012	N/A	\$ -	\$ -	\$ 6,755,012
Money Market Mutual Funds	1,852,405	A	1,852,405	-	-
Total	<u>\$ 8,607,417</u>		<u>\$ 1,852,405</u>	<u>\$ -</u>	<u>\$ 6,755,012</u>

Concentration of Credit Risk

At June 30, 2014, the City had no investments in any one issuer that represent 5% or more of total City investments.

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 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, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

2) CASH AND INVESTMENTS - Continued

At June 30, 2014, the carrying amount of the City's deposits was \$4,986,947 and the book balances were \$4,977,062. The differences of \$9,885 represents outstanding checks, deposits in transit and other reconciling items. The City did not have any deposits with financial institutions in excess of Federal depository insurance limits and held in uncollateralized accounts.

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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

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

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To and Due From Other Funds

Amounts due to/due from other funds at June 30, 2014 are as follows:

Receivable	Payable	Amount
Sewer Enterprise Fund	General Fund	\$ 669,368
	Other Governmental Funds	245,095
		\$ 914,463

The outstanding balances between funds result mainly from interfund borrowings to cover operating deficits.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Long-term Advances

At June 30, 2014, the City had the following interfund long-term advances:

		ADVANCES FROM				
		General Fund	Retirement Tax Fund	Housing Fund	Sewer Fund	Total
ADVANCES TO	General Fund	\$ -	\$ 4,985,315	\$ -	\$ 434,575	\$5,419,890
	Water Fund	-	320,893	-	1,288,538	1,609,431
	Sewer Fund	-	320,893	-	-	320,893
	Successor Agency	211,840	-	1,798,811	-	2,010,651
	Total	<u>\$ 211,840</u>	<u>\$ 5,627,101</u>	<u>\$ 1,798,811</u>	<u>\$ 1,723,113</u>	<u>\$9,360,865</u>

- (1) On June 2, 2003, the City entered into an agreement with the Redevelopment Agency whereby the City conveyed a property to the Agency for the initial down payment of \$825,000, as well as a 15-year note with a 5% interest rate and annual payments of \$209,544. On January 15, 2010, the loan was restructured to include additional accelerated payments of \$220,000 in 2011 and 2012. As of June 30, 2014, the outstanding balance on the note is \$189,604. In addition, the General Fund has advanced the Successor Agency Trust Fund \$22,236. It is unclear when these amounts will be repaid due to the dissolution of the Redevelopment Agency.
- (2) On May 7, 2001, the Retirement Tax Special Revenue Fund and the Sewer Enterprise Fund advanced \$750,000 each to the Capital Grants Capital Projects Fund. In the 2013-14 fiscal year, the General Fund has assumed the advance payable of \$869,150 from the Capital Grants Capital Projects Fund and forgiven the advance payable in the Capital Grants Capital Projects Fund. As of June 30, 2014, the outstanding balance due to the Retirement Tax Special Revenue Fund and the Sewer Enterprise Fund are \$434,575 and \$434,575, respectively.
- (3) On October 18, 1999, the Sewer Enterprise Fund advanced \$1,500,000 to the Water Enterprise Fund. The interest is payable on the unpaid principal of the loan, compounded annually on a 360 day/year, at a rate calculated as the average rate earned on the funds deposited by the City into the Local Agency Investment Fund. As of June 30, 2014, the outstanding balance of the advance is \$1,288,538.
- (4) In November 2013, the City determined that amounts paid for by the Retirement Tax Special Revenue Fund for postemployment healthcare costs and pension costs related to fire contract services were not in accordance with the "PERS contract" costs as required by the special tax fund. Therefore, as per the payment agreement, a long-term advance to the General Fund, Water Fund, and Sewer Fund of \$4,550,739, \$320,893, and \$320,893, respectively, has been established by City Council resolution to pay back the disallowed costs. The General Fund will make payments of \$176,333, at 1% for 30 years. The Water and Sewer Funds will split equally, payments of \$24,868, at 1% for 30 years.
- (5) In January 2010, prior to the dissolution of redevelopment agencies in the State of California, the former Low and Moderate Income Housing Set-aside fund loaned \$2,063,811 to the former redevelopment agency (now Successor Agency) to pay the SERAF payment to the State in prior years. As of June 30, 2014, the outstanding balance is \$1,798,811.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Transfers In and Transfers Out

Transfers in and out for the year ended June 30, 2014 are as follows:

Transfers In	Transfers Out	Amount
Retirement Tax Fund	General Fund	\$ 4,550,739
	Water Enterprise Fund	320,893
	Sewer Enterprise Fund	320,893
Housing Fund	Successor Agency Private-purpose Trust Fund	3,545,578
Other Governmental Funds	General Fund	1,954,266
	Retirement Tax Fund	12,291
General Fund	Water Fund	61,000
	Sewer Fund	60,000
	Other Governmental Funds	851,685
Water Fund	Retirement Tax Fund	29,039
Sewer Fund	Retirement Tax Fund	12,817
Waste Disposal	Retirement Tax Fund	1,222
		\$ 8,174,845

The transfers to the Retirement Tax Fund from the General Fund, Water Fund, and Sewer Fund of \$4,550,739, \$320,893, and \$320,893, respectively, were a result of the long-term advance established through council resolution. See description (4) above for advances for more information.

The transfer from the General Fund to the Other Governmental Funds consisted of a transfer of \$1,847,066 to the non-major Capital Grants Capital Projects Fund to forgive advances payable and operating deficits that accumulated over the years. The General Fund transferred an additional \$107,000 to the Other Governmental Funds to fund various project costs.

The Water and Sewer Funds transferred \$61,000 and \$60,000, respectively, to the General Fund as annual lease payments for each fund's use of City facilities for operations.

The Other Governmental Funds transferred \$851,685 to the General Fund to reimburse the General Fund for eligible activities, including, but not limited to, reimbursement for eligible street maintenance, transit operations, and traffic safety activities from Proposition C, Gas Tax, and Traffic Safety funds.

The Successor Agency Private-purpose Trust fund transferred the remaining assets and liabilities of \$3,545,578 of the former Low and Moderate Income Housing Fund to the Housing Special Revenue Fund.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

4) CAPITAL ASSETS

A summary of changes in the Governmental Activities capital assets at June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in Progress	1,137,380	-	1,137,380	-
Total Capital Assets, Not Being Depreciated	5,534,485	-	1,137,380	4,397,105
Capital Assets Being Depreciated:				
Buildings	27,440,427	1,321,846	-	28,762,273
Improvements Other than Buildings	4,832,769	276,207	-	5,108,976
Machinery and Equipment	8,511,475	153,752	183,183	8,482,044
Infrastructure	50,690,283	171,314	-	50,861,597
Total Capital Assets Being Depreciated	91,474,954	1,923,119	183,183	93,214,890
Less Accumulated Depreciation:				
Buildings	(7,437,075)	(737,832)	-	(8,174,907)
Improvements Other than Buildings	(2,653,652)	(182,556)	-	(2,836,208)
Machinery and Equipment	(6,382,804)	(456,595)	183,183	(6,656,216)
Infrastructure	(29,759,901)	(1,429,666)	-	(31,189,567)
Total Accumulated Depreciation	(46,233,432)	(2,806,649)	183,183	(48,856,898)
Total Capital Assets Being Depreciated, Net	45,241,522	(883,530)	-	44,357,992
Governmental Activities Capital Assets, Net	<u>\$ 50,776,007</u>	<u>\$ (883,530)</u>	<u>\$ 1,137,380</u>	<u>\$ 48,755,097</u>

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

General Government	\$ 9,057
Public Safety	378,869
Public Works	2,124,269
Parks and Recreation	88,664
Community Development	205,790
Total Depreciation Expense - Governmental Activities	<u>\$ 2,806,649</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

4) CAPITAL ASSETS - Continued

A summary of changes in the Business-type Activities capital assets at June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 26,345	\$ -	\$ -	\$ 26,345
Water Rights	624,659	-	-	624,659
Construction in Progress	519,030	513,129	-	1,032,159
Total Capital Assets, Not Being Depreciated	1,170,034	513,129	-	1,683,163
Capital Assets Being Depreciated:				
Buildings	5,741,396	-	-	5,741,396
Improvements Other than Buildings	29,200	-	-	29,200
Infrastructure	21,310,936	446,995	-	21,757,931
Machinery and Equipment	7,567,341	204,443	-	7,771,784
Total Capital Assets Being Depreciated	34,648,873	651,438	-	35,300,311
Less Accumulated Depreciation:				
Buildings	(2,904,485)	(110,257)	-	(3,014,742)
Improvements Other than Buildings	(29,200)	-	-	(29,200)
Infrastructure	(12,728,356)	(425,068)	-	(13,153,424)
Machinery and Equipment	(5,736,006)	(183,624)	-	(5,919,630)
Total Accumulated Depreciation	(21,398,047)	(718,949)	-	(22,116,996)
Total Capital Assets Being Depreciated, Net	13,250,826	(67,511)	-	13,183,315
Business-type Activities Capital Assets, Net	\$ 14,420,860	\$ 445,618	\$ -	\$ 14,866,478

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Water	\$ 582,460
Sewer	132,456
Waste Disposal	4,033
Total Depreciation Expense - Business-Type Activities	\$ 718,949

5) LOAN RECEIVABLE AND UNAVAILABLE REVENUES

The City uses Community Development Block Grant (CDBG) funds to provide housing rehabilitation loans to eligible applicants. Such loans are made to low and moderate-income persons to improve, rehabilitate, or replace residences. The CDBG fund's primary asset consists of notes receivable from participants that originated from HUD funds. The CDBG loans totaling \$422,600, when collected, are due back to the granting agency.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

5) LOAN RECEIVABLE AND UNAVAILABLE REVENUES - Continued

Account balances related to these programs at June 30, 2014, consisted of the following:

First-time homebuyer program in the Community Development Block Grant Fund:		
Loans Receivable	\$	422,600
Unavailable Revenue		422,600

6) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2014.

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
CHFA Loan	\$ 712,692	\$ -	\$ (100,000)	\$ 612,692	\$ 612,692
Section 108 Loan	1,244,000	-	(284,000)	960,000	301,000
Claims Payable (Note 8)	3,119,556	1,264,884	(885,884)	3,498,556	676,000
Compensated Absences	1,456,781	852,275	(813,837)	1,495,219	302,782
Other Post-Employment Benefit Obligation (Note 9)	<u>7,445,639</u>	<u>2,557,173</u>	<u>(898,796)</u>	<u>9,104,016</u>	<u>-</u>
Total	<u>\$13,978,668</u>	<u>\$ 4,674,332</u>	<u>\$ (2,982,517)</u>	<u>\$15,670,483</u>	<u>\$ 1,892,474</u>

CHFA Loan

On August 5, 2002, the City and California Housing Finance Agency (CHFA) entered into a Housing Enabled by Local Partnerships (HELP) loan agreement whereby the City borrowed \$1,000,000 from CHFA for the purpose of financing the development of affordable senior citizen rental projects in the City. The loan bears simple interest of 3% per annum. Interest is deferred and added to principal annually. The outstanding balance as of June 30, 2014 was \$612,692. The City is to make partial payments as follows: \$350,000 by July 1, 2014 and the remaining unpaid balance on the loan is to be repaid by December 31, 2014.

Section 108 Loan

The City and the County of Los Angeles entered into a loan agreement for a Section 108 loan in the amount of \$3,000,000 for the City's regional swimming pool facility. The loan bears interest at the rate per annum equal to 3 month-LIBOR plus 20 basis points (or such higher rate as may be imposed by HUD). The outstanding balance on the loan as of June 30, 2014 was \$960,000.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

6) LONG-TERM LIABILITIES - Continued

Year Ending June 30,	Principal	Interest	Total
2015	\$ 301,000	\$ 47,588	\$ 348,588
2016	320,000	29,648	349,648
2017	339,000	10,136	349,136
Total	<u>\$ 960,000</u>	<u>\$ 87,372</u>	<u>\$ 1,047,372</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability amounting to \$1,495,219 is expected to be repaid from future resources, typically liquidated from the General Fund.

Fiduciary Fund Long-term Liabilities

Long-term liabilities of the former San Fernando Redevelopment Agency were transferred to the Successor Agency Private-purpose Trust Fund during 2011-12 as a result of the State's action to dissolve redevelopment agencies. The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2014:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable:					
Tax Allocation Bonds, 1998	\$ 1,290,000	\$ -	\$ (630,000)	\$ 660,000	\$ 660,000
Tax Allocation Bonds, 2006	7,870,000	-	(705,000)	7,165,000	730,000
County Deferral	3,283,945	229,876	-	3,513,821	-
Total	<u>\$ 12,443,945</u>	<u>\$ 229,876</u>	<u>\$ (1,335,000)</u>	<u>11,338,821</u>	<u>\$ 1,390,000</u>

1998 Project Areas #1 and #3 Tax Allocation Bonds

In June 1998, the Agency defeased its 1987 and 1991 (Project Areas #1 and #3) Tax Allocation Bonds by placing a portion of the proceeds of the new 1998 Tax Allocation Bonds in an irrevocable trust to provide for all future debt service payments related to the Agency's 1987 and 1991 issuances. Accordingly, the trust assets and liability for the defeased debt are not included in these financial statements. In fiscal year 2002-2003, all defeased bonds were paid, and none remains outstanding.

The San Fernando Redevelopment Agency sold two series of bonds in the amounts of \$1,320,000 and \$6,360,000 for Project Areas #1 and #3, respectively, to provide funds to advance refund the 1987 Project Area #1 Bonds, the 1987 Project Area #3 Bonds and a portion of the 1991 Project Area #2 Bonds. A portion of the bond proceeds were used to finance additional redevelopment projects.

Annual interest rates on the tax allocation bonds for the Project Area #1 range from 4.0% to 5.25% with interest payable semiannually. The bonds mature in amounts ranging from \$80,000 to \$115,000 through the year 2014. Bonds maturing on or after September 15, 2006 are subject to call or redemption prior to their stated maturity at a premium ranging from 2.0% in 2006 to 0.5% in 2008 and 2009, and at par thereafter.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

6) LONG-TERM LIABILITIES - Continued

Annual interest rates on the tax allocation bonds for Project Area #3 range from 4.0% to 5.25% with interest payable semiannually. The bonds mature in amounts ranging from \$385,000 to \$545,000 through the year 2014. Bonds maturing after March 15, 2006 are subject to call or redemption prior to their stated maturity at a premium ranging from 2.0% in 2006 to 0.5% in 2008 and 2009, and at par thereafter. As of June 30, 2014, \$660,000 of the 1998 Tax Allocation Bonds were outstanding.

2006 Project Area #3 Tax Allocation Bonds

In December 2006, the Agency, Civic Center Redevelopment Project Area #3, issued \$11,490,000 of Series 2006 Tax Allocation Bonds for the completion of the aquatic center and the acquisition, construction and relocation to a new City yard and various street improvements. The bonds were issued on parity with the 1998 Tax Allocation Bonds. The bonds mature in annual installments ranging from \$420,000 to \$1,425,000 with coupon rates ranging from 3.25% to 4.125%. Interest payments are due each March 15 and September 15, commencing March 15, 2007. Final maturity of the bonds is September 15, 2020. As of June 30, 2014, \$7,165,000 of the bonds were outstanding.

Future debt service requirements, for the Tax Allocation Bonds to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,390,000	\$ 281,616	\$ 1,671,616
2016	1,330,000	228,606	1,558,606
2017	1,375,000	181,269	1,556,269
2018	1,425,000	125,144	1,550,144
2019	925,000	74,581	999,581
2020	675,000	42,581	717,581
2021	705,000	14,541	719,541
Total	<u>\$ 7,825,000</u>	<u>\$ 948,338</u>	<u>\$ 8,773,338</u>

County Deferral

The Redevelopment Agency and County of Los Angeles (the County) entered into an agreement whereby the County will defer tax increment (County Deferral) generated within the project area to meet the Agency's debt service obligations. The County Deferral, accrued at an interest rate of 7% was to be repaid whenever the Agency received property tax in excess of its bonded debt payment requirements. Due to the dissolution of the Agency as of February 1, 2012, this debt is reported in the Fiduciary Funds of the City (Successor Agency). At June 30, 2014, the balance of the County Deferral, including interest, was \$3,513,821.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

7) CITY EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)

Plan Description

The City of San Fernando participates in the Miscellaneous 3% at 60, 2% at 55, and 2% at 62 (Tier I, Tier II and Tier II) Risk Pools and the Safety 3% at 50, 3% at 55, and 2.7% at 57 (Tier I, Tier II and Tier II) Risk Pools of the California Public Employee's Retirement System (PERS), cost-sharing, multiple-employer defined benefit pension plans administered by PERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office - 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS. Active City employees are required to contribute 7% (Tier II), 8% (Tier I), or 9% (safety employees and Tier III) of their annual covered salary to PERS. The City makes 50% of the contributions required of City general employees, and for management and safety employees. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The current rates for the Miscellaneous Tier I and Tier II Plans are 26.207% and 11.709% of covered payroll, respectively. The current rates for the Safety Tier I and Tier II Plans are 44.999% and 26.133% of covered payroll, respectively. The City's total contributions to CalPERS for the years ended June 30, 2014, 2013 and 2012 were \$2,219,577, \$2,554,841, and \$2,490,945, respectively and were equal to the required contribution for each year.

8) SELF-INSURANCE PROGRAM

The City is self-insured for workers' compensation claims, unemployment insurance, property insurance, and comprehensive general and automobile liability. The City is also a member of the Independent Cities Risk Management Authority (ICRMA), which provides coverage for its members, in excess of each member's selected self-insured retention, for up to \$30,000,000 per insured occurrence for liability claims and statutory limits for workers' compensation claims. ICRMA is considered a self-sustaining risk pool with 21 member cities. Annual premium payments are paid by member cities and are adjusted retrospectively to cover costs. Each member city self-insures from the first dollar to their selected self-insured retention. Each member city appoints one member and two alternates to the ICRMA Governing Board.

Workers' Compensation

The City participates in the Workers' Compensation Program through ICRMA and maintains coverage pursuant to the Workers' Compensation Laws of the State of California. The City is self-insured for the first \$500,000 of each claim. Excess insurance is provided through ICRMA from \$500,001 to the statutory limit per insured occurrence. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2014, the amount of these liabilities was \$2,910,000. This liability is the City's best estimate based on available information.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

8) SELF-INSURANCE PROGRAM - Continued

General Liability

The City participates in the Liability Program through ICRMA and maintains coverage for comprehensive general and automobile liability, personal injury, contractual liability, errors and omissions, and certain other coverage. The City is self-insured for the first \$250,000 of each claim. Excess insurance is provided through ICRMA from \$250,001 to \$30,000,000 per insured occurrence. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2014, the amount of these liabilities was \$588,556. This liability is the City's best estimate based on available information.

Annual settlements during each of the last three fiscal years have not exceeded insurance coverage in any year.

Changes in Self-Insurance Liability

Changes in the reported liabilities resulted from the following:

	2013 - 2014	2012 - 2013
Beginning of Fiscal Year	\$ 3,119,556	\$ 2,860,556
Claims and Changes in Claim Estimates	1,264,884	1,227,112
Claim Payments	(885,884)	(968,112)
	<u>\$ 3,498,556</u>	<u>\$ 3,119,556</u>

9) OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City contributes to a single-employer defined benefit plan to provide post-employment health care benefits. Specifically, the City provides health insurance for its retired employees and their dependent spouses (if married and covered on the City's plan at time of retirement), or survivors in accordance with Board resolutions. Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of 5 years service with the City as long as such individuals retire within 120 days of separation from employment and receive a monthly retirement allowance. The City pays 100% of all premiums charged for the retiree and dependents under the health benefit plan administered by CalPERS in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. Medical coverage is provided for the surviving spouse of retired employees and the surviving spouse of active employees who upon death had attained age 50 and who had a minimum of 5 years of service within the PERS system in addition to satisfying the requirement to retire within 120 days of separation. The City will pay 100% of the premiums charged until the surviving spouse remarries, becomes enrolled under another group health plan, or cancels coverage. The plan does not provide a publicly available financial report.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

9) OTHER POST-EMPLOYMENT BENEFITS - Continued

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City's Board of Directors, and/or the employee associations. Currently, contributions are not required from plan members. The City is currently funding this OPEB obligation on a pay-as-you-go basis. This obligation is typically liquidated from the General Fund and responsible Enterprise Funds.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

The following table shows the component of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's net OPEB asset:

Annual Required Contribution (ARC)	\$ 2,596,730
Interest on Net OPEB Obligation	297,826
Adjustment to ARC	<u>(337,383)</u>
Annual OPEB Cost	2,557,173
Contribution Made	<u>(898,796)</u>
Increase in Net OPEB Obligation	1,658,377
Net OPEB Obligation at June 30, 2013	<u>7,445,639</u>
 Net OPEB Obligation at June 30, 2014	 <u>\$ 9,104,016</u>

Annual OPEB cost, percentage of Annual OPEB Cost contributed, and Net OPEB Obligation (only available for the two years), are presented below:

THREE-YEAR TREND INFORMATION				
Fiscal Year Ended	Annual OPEB Cost	Annual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/12	\$ 2,627,170	\$ 968,647	36.87%	\$ 6,002,474
6/30/13	\$ 2,428,329	\$ 985,164	40.56%	\$ 7,445,639
6/30/14	\$ 2,557,173	\$ 898,796	35.14%	\$ 9,104,016

Funded Status and Funding Progress

As of April 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$32,974,100, and the actuarial value of assets was zero, resulting in an unfunded accrued liability (UAL) of \$32,974,100. The covered payroll (annual payroll of active employees covered by the plan) was \$7,256,300 and the ratio of the UAL to the covered payroll was 454.42%.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

9) OTHER POST-EMPLOYMENT BENEFITS - Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the April 1, 2013, actuarial valuation, the entry age normal cost level percent of pay method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), inflation rate of 3%, and an annual healthcare cost trend rate of 8.5% initially, reduced by .5% per year to an ultimate rate of 4.64%. The City's unfunded actuarial accrued liability will be amortized as a level of percentage pay over a closed period of 26 years. It is assumed the City's payroll will increase 3.25% per year.

10) DEFICIT NET POSITION/FUND BALANCES AND EXCESS EXPENDITURES

The following funds reported deficits in net position/fund balances at June 30, 2014:

	<u>Deficit</u>
Major Fund:	
General Fund	\$ 5,693,905
Other Governmental Funds:	
Street Lighting Special Revenue Fund	61,191
Capital Grants Special Revenue Fund	60,273

In addition to these deficits, the City's obligation for other post-employment benefits has increased to \$9,104,016 as of June 30, 2014 (see Note 9).

The following represents management's plans regarding these deficits and unfunded liabilities:

General Fund - In the fiscal year ending June 30, 2013, the City had to take a number of steps to reduce expenditures, including re-negotiating labor contracts, cutting budgets, programs and services, implementing layoffs and freezing vacant positions just to remain solvent.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

10) DEFICIT NET POSITION/FUND BALANCES AND EXCESS EXPENDITURES - Continued

In the fiscal year ended June 30, 2014, the City took further steps to implement a multi-year plan to eliminate the General Fund deficit, which includes a balance of revenue enhancements and expenditure reductions.

The City declared a fiscal emergency to hold a special election on June 4, 2013 for the San Fernando electorate to vote on a temporary one-half (½) cent transaction and use tax. The "City Services Emergency Protection Measure" (Measure A) was approved by sixty percent (60%) of voters.

Revenues raised through the transaction and use tax are necessary to fund a number of critical one-time needs, including, but not limited to: 1) establishing a General Fund and Self Insurance Fund reserve, 2) paying off existing debt, 3) eliminating the deficit in the Grant Fund and other Special Revenue funds, 3) re-establishing the City's Equipment Replacement Fund, 4) replacing and updating outdated computer software, hardware and telecommunications systems, 5) establishing a trust to pre-fund Other Post-Employment Benefits (OPEB), and 6) funding over-due capital projects to reduce the City's deferred infrastructure maintenance costs.

Since the transaction and use tax is a temporary tax set to sunset in seven (7) years, the City will use funds raised through the tax on non-recurring expenditures, such as those identified above.

In addition to increasing revenue through the transaction and use tax, the City took a number of steps to reduce expenditures, including, but not limited to: 1) implemented two (2) furlough days per month over the first nine months of fiscal year 2013-14, 2) Froze a number of vacant positions, 3) negotiated an extension of labor contracts through June 2015 that included no cost of living adjustments with all bargaining units, and 4) re-negotiated a contract with the City of Los Angeles to implement a new methodology that decreases and stabilizes the amount the City pays for fire protection and paramedic services.

Going forward, the deficit elimination plan includes the following key elements:

- Develop and maintain a five-year General Fund projection of revenues and expenditures;
- Continue to use Measure A for intended purpose to eliminate deficit, fund non-recurring expenditures, and establish an OPEB trust fund;
- Increase economic development efforts, including adoption of a Development Agreement Ordinance;
- Update user fees and cost allocation plan to ensure the City is adequately recovering costs for certain services;
- Sell surplus land and use the one-time land sale proceeds to reduce the City's deficit;
- Transfer financial and management responsibility for the San Fernando Aquatics Center to the County of Los Angeles;
- Restructure employee benefits through bargaining, with a focus on decreasing the City's OPEB liability;

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

10) DEFICIT NET POSITION/FUND BALANCES AND EXCESS EXPENDITURES - Continued

- Explore opportunities to increase the City's operational efficiency through private partnerships;
- Reorganize City departments, where necessary, to create more efficient operations;
- Create and maintain a five-year forecast of revenues and expenditures to evaluate the long-term fiscal impact of major decisions; and
- Create and update the City's financial policies, including, but not limited to, long term planning, budget, purchasing, debt management, grant management, investment, and reserve policies, with an emphasis on creating long term fiscal sustainability.

The deficit elimination plan was developed with the understanding that the General Fund deficit is a result of many years of financial problems, some of which have been beyond the City's control (e.g. the "Great Recession" and the State's dissolution of redevelopment) and others that were self-inflicted. It will take many years to dig the City out of these financial problems; however, if the preceding financial and operational elements continue to be implemented, the City will be successful in eliminating the General Fund deficit and building a strong financial base for the future.

In addition to management's long-term deficit reduction plan identified above, the City has taken a number of actions that have an immediate impact on the General Fund's cash flow. Such measures include:

- 1) Sell Surplus Land - On September 15, 2014, the City Council approved the sale of two City owned properties: 1) 1211 First Street for \$590,000, and 2) 519 South Brand Ave for \$490,000. Both of these transactions were completed and closed escrow in December 2014. The land sale proceeds will be used to offset General Fund debt payments due in the first half of fiscal year 2014-2015.
- 2) Renegotiate Fire and Emergency Medical Service Agreement - On September 15, 2014, the City Council approved a new agreement with the City of Los Angeles for fire protection and emergency medical services. The new agreement reduces the City's payments retroactively to July 1, 2012 and builds in a repayment schedule for the General Fund's outstanding \$526,560 liability from fiscal year 2011-2012. This saves the City a significant amount of money annually and will bolster the City's cash flow in the short term.
- 3) Lease Pool Facility to Los Angeles County - On October 6, 2014, the City Council approved a lease agreement with the County of Los Angeles for the operation of the City's pool facility. Per the agreement, the County of Los Angeles assumed financial and operational responsibility on November 17, 2014 for an initial term of thirty five (35) years. This saves the City a significant amount of money annually and will bolster the City's cash flow in the short term. Additionally, the County will fully defease the outstanding amount of the City's Section 108 loan, which will free up CDBG and General Funds in fiscal year 2015-2016.
- 4) Measure A - The transaction and use tax approved by voters in June 2013 (Measure A) and effective in October 2013 raised over \$1.2 million in fiscal year 2013-2014. It is expected to raise approximately \$1.6 million in fiscal year 2014-2015, which will be the first full year of receipts. Measure A funds will raise a significant amount of money annually and will bolster the City's cash flow in the short term.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

10) DEFICIT NET POSITION/FUND BALANCES AND EXCESS EXPENDITURES - Continued

Other Post-Employment Benefits (OPEB) - The City will be negotiating labor contracts with all bargaining units beginning in the second half of fiscal year 2014-2015. As noted in the deficit elimination plan, the City will be focusing on restructuring employee benefits to decrease the City's OPEB liability. Additionally, the City will also be exploring ways to fund the current OPEB liability, including using a portion of the half-cent transaction and use tax revenues to establish an OPEB trust fund.

Street Lighting Special Revenue Fund - The City will be evaluating the current street light program, which is funded through a Lighting and Landscape Act Assessment District. Assessment District revenues are limited by Proposition 218 and cannot be increased without approval of the affected property owners. As a result, the City will reduce service levels over the next few years to eliminate the deficit. If City Council decides to keep the same level of service, it will need to be budgeted and funded from the General Fund.

Capital Grants Special Revenue Fund - The deficit in the Capital Grants Fund has decreased from (\$2,078,437) as of June 30, 2013 to the current deficit of (\$60,273) as of June 30, 2014. Management will continue to decrease the deficit in this fund by ensuring timely draw down of grant funds, proper coding of grant expenditures, and adherence to the City's Grant Management Policy.

The following funds/departments reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Major Funds:			
General Fund:			
General Government:			
Treasurer	\$ 139,750	\$ 141,843	\$ (2,093)
Personnel	299,651	301,603	(1,952)
City Attorney	250,000	287,668	(37,668)
City Clerk	122,748	124,922	(2,174)
Financial Management	543,735	575,206	(31,471)
Retirement and Nondepartmental	299,016	371,634	(72,618)
Public Safety:			
Police	5,739,107	5,894,743	(155,636)
Public Works	2,006,082	2,080,154	(74,072)
Retirement Tax Special Revenue Fund	2,168,995	2,305,731	(136,736)

11) COMMITMENTS AND CONTINGENCIES

Various claims and lawsuits have been filed against the City in the normal course of business. Based upon information obtained from the City attorney and the self-insurance administrators, the estimated liability under such claims and litigation will not exceed the accrued self-insurance liability recorded in the government-wide statement of net assets. Also, the City has received State and Federal funds that are subject to review and audit by the grantor agencies. Such audits could generate expenditure disallowances under terms of the grants; however, it is believed that any such reimbursements will not be significant.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

11) COMMITMENTS AND CONTINGENCIES - Continued

CHFA Loan

In connection with the CHFA loan disclosed in Note 6, the City entered into a Disposition and Development Agreement in March 2004 whereby the City's RDA would acquire a piece of land, under certain conditions, for \$1.4 million from a developer for the purpose of providing low income senior housing in the City. Upon the arrival of the development milestones specified in the agreement, the RDA would acquire the fee title to the land parcel, and grant the Developer a leasehold interest in the land parcel for a term of 75 years at an annual lease payment of \$10, and an option to extend for an additional 24 years at market rate rent. The RDA and the Developer anticipate the project would cost over \$14.5 million, and would be financed through a combination of sources including, but not limited to: HOME Funds from the Los Angeles Community Development Commission, LIHTC proceeds, Tax Exempt Bond proceeds, and deferred development fees.

MOU-Swap Meet Property

In June 2003, the City of San Fernando entered into a Memorandum of Understanding with the Robertsons Properties Group (the "Swap Meet Owner") in effort to facilitate the redevelopment of the current swap meet site into a future regional shopping center. The MOU provides for continued operation of the swap meet as well as facilitating relocation of the swap meet operation and vendors to a suitable location prior to initiating the commercial redevelopment of the subject site. As part of the MOU, the City conveyed the City Yard Site to the former City of San Fernando Redevelopment Agency (the Agency). In 2007, the Agency then entered into a Purchase and Sale Agreement with the Swap Meet Owner, which include an initial cash payment of \$500,000 and 10 equal payments of \$125,000 per year for 10 years. In addition, at the end of the 10 year term, the Swap Meet Owner is scheduled to make a balloon payment of \$3,819,335 (less an amount not to exceed \$198,020 for pre-approved demolitions costs) to the Agency. These funds are currently included as Assets (Loans) in the Successor Agency of the former Agency's Private –Purpose Trust Fund.

City is considering contesting the future remaining payments scheduled to the former city redevelopment agency.

12) SUBSEQUENT EVENTS

Management of the City has evaluated subsequent events through December 22, 2014, the date these financial statements were available to be issued, and has determined the following subsequent events.

On September 15, 2014, the City Council approved the sale of two City owned properties: 1) 1211 First Street for \$590,000, and 2) 519 South Brand Boulevard for \$490,000. Both of these transactions were completed and closed escrow in December 2014.

On September 15, 2014, the City Council approved a new agreement with the City of Los Angeles for fire protection and emergency medical services. The new agreement reduce the City's payments retroactively to July 1, 2012 and builds in a repayment schedule for the General Fund's outstanding \$526,560 liability for previously provided fire services from fiscal year 2011-2012.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2014

12) SUBSEQUENT EVENTS - Continued

On October 6, 2014, the City Council approved a lease agreement with the County of Los Angeles for the operation of the San Fernando Regional Pool Facility. Per the agreement, the County of Los Angeles assumed financial and operational responsibility on November 17, 2014 for an initial term of thirty five (35) years. Additionally, the County will fully defease the outstanding amount of the City's Section 108 loan, which will free up CDBG and General Funds in fiscal year 2015-2016.

Uncertainties

On December 11, 2014, the City received a draft Asset Transfer Review report from the California State Controller related to the dissolution of the former Redevelopment Agency. The draft report indicates that \$229,000 transferred to the General Fund by the former Redevelopment Agency during the dissolution process is unallowed. Therefore, the draft report is indicating this amount is due back to the Successor Agency. It is unclear at this time if the City's General Fund will have to repay the \$229,000 to the Successor Agency. No adjustments have been made to the financial statements for this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

City of San Fernando
Schedule of Funding Progress
For the Year Ended June 30, 2014

Other Post-Employment Benefits Plan

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio AVA	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
	(a)	(b)	(b) - (a)	(a)/(b)	(c)	[(b)-(a)]/(c)
04/01/09	\$ -	\$ 27,397,966	\$ 27,397,966	0.00%	\$ 10,768,148	254.44%
04/01/11	-	33,727,414	33,727,414	0.00%	7,991,271	422.05%
04/01/13	-	32,974,100	32,974,100	0.00%	7,256,300	454.42%

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 8,236,852	\$ 8,287,182	\$ 9,513,749	\$ 1,226,567
Licenses and Permits	353,000	353,000	410,512	57,512
Charges for Services	2,407,716	2,459,916	2,601,036	141,120
Fines and Forfeitures	587,500	587,500	561,170	(26,330)
Investment Earnings	216,000	216,000	216,144	144
Intergovernmental	1,984,145	2,009,179	2,002,695	(6,484)
Other	452,770	458,790	685,648	226,858
Total Revenues	14,237,983	14,371,567	15,990,954	1,619,387
EXPENDITURES				
Current:				
General Government:				
City Council	90,038	88,024	85,946	2,078
Treasurer	139,843	139,750	141,843	(2,093)
Administration	294,941	261,211	234,490	26,721
Personnel	295,651	299,651	301,603	(1,952)
City Attorney	250,000	250,000	287,668	(37,668)
City Clerk	122,748	122,748	124,922	(2,174)
Elections	-	552	552	-
Financial Management	553,055	543,735	575,206	(31,471)
Retirement and Nondepartmental	694,036	299,016	371,634	(72,618)
Public Safety:				
Police	5,931,845	5,739,107	5,894,743	(155,636)
Fire	2,720,052	2,808,988	2,224,887	584,101
Community Development	815,777	811,854	769,936	41,918
Public Works	2,026,874	2,006,082	2,080,154	(74,072)
Parks and Recreation	1,319,866	1,317,181	1,311,903	5,278
Total Expenditures	15,254,726	14,687,899	14,405,487	282,412
Excess (Deficiency) of Revenues over Expenditures	(1,016,743)	(316,332)	1,585,467	1,901,799
OTHER FINANCING SOURCES (USES)				
Transfers In	1,002,773	972,685	972,685	-
Transfers Out	(100,000)	(215,198)	(6,505,005)	(6,289,807)
Sale of Property	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	1,102,773	957,487	(5,532,320)	(6,489,807)
Net Change in Fund Balances	86,030	641,155	(3,946,853)	(4,588,008)
Fund Balance, Beginning of Year	(1,747,052)	(1,747,052)	(1,747,052)	-
Fund Balance, End of Year	\$ (1,661,022)	\$ (1,105,897)	\$ (5,693,905)	\$ (4,588,008)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Retirement Tax Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,801,600	\$ 2,982,305	\$ 3,474,171	\$ 491,866
Investment Earnings	-	-	-	-
Intergovernmental	-	47,000	37,764	(9,236)
Other	-	-	-	-
Total Revenues	3,801,600	3,029,305	3,511,935	482,630
EXPENDITURES				
Current:				
General Government	194,523	442,370	356,037	86,333
Public Safety	-	1,306,250	1,208,689	97,561
Public Works	-	315,541	633,830	(318,289)
Parks and Recreation	-	104,834	107,175	(2,341)
Total Expenditures	194,523	2,168,995	2,305,731	(136,736)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,607,077	860,310	1,206,204	345,894
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	5,192,525	5,192,525
Transfers Out	(2,538,441)	(422,445)	(55,369)	367,076
Total Other Financing Sources (Uses)	(2,538,441)	(422,445)	5,137,156	5,559,601
Net Change in Fund Balances	1,068,636	437,865	6,343,360	5,905,495
Fund Balance, Beginning of Year	(497,363)	(497,363)	(497,363)	-
Fund Balance, End of Year	\$ 571,273	\$ (59,498)	\$ 5,845,997	\$ 5,905,495

City of San Fernando
Notes to Required Supplementary Information
Year Ended June 30, 2014

BUDGETS AND BUDGETARY ACCOUNTING

The budget of the City is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) the program, projects, series, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented and controlled. The City Charter prohibits expending funds for which there is no legal appropriation.

The City's procedures for preparing the budgetary data reflected in the financial statements are:

- The annual budget provides for the general operation of the City and is adopted by the City Council after the holding of a public hearing. The budget figures presented in the accompanying required supplementary information financial schedules represent the original and final revised budget and include proposed expenditures and related financing.
- The City Council approves total budget appropriations and may amend the budget by motion during the fiscal year. However, the City Manager is authorized to transfer within individual fund budgets without the approval of City Council; however, total appropriations may not be exceeded at the department level. The legal level of budgetary control is at the department level. The appropriated budget covers City expenditures in the General Fund, and Special Revenue Funds. Project length plans are adopted for the capital projects funds with unexpended funds at June 30 re-appropriated in the following year. The debt service on bond issues constitutes a legally authorized "non-appropriated budget". During the fiscal year 2013-14 supplemental budget appropriations were approved by the City Council. The effects of the supplemental appropriations were minor.
- Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Encumbrances at year-end lapse, and then are added to the following year's budgeted appropriations.
- Annual budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with generally accepted accounting principles. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the Proprietary Funds, as the City is not legally required to adopt budgets for this type of fund. In addition, the City did not adopt a budget for the Housing Special Revenue Fund.
- Capital projects are budgeted through the Capital Projects Funds on a project-by-project basis. Appropriations for capital projects authorized but not constructed or completed during the year lapse at year-end, and are then included as part of appropriations in the following year's annual budget.

Budget information is presented as supplementary information for the other governmental special revenue funds. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year which were contingent upon new, or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. The budgets conform, in all material respects, to generally accepted accounting principles, which serves as the budgeting basis. Appropriations lapse at year-end.

Expenditures in the Retirement Tax Special Revenue Fund exceeded appropriations by \$136,736.

SUPPLEMENTARY INFORMATION

City of San Fernando
Other Governmental Funds
June 30, 2014

SPECIAL REVENUE FUNDS

Special revenue funds account for specific revenues that are legally restricted to expenditures for particular purposes. The other special revenue funds include:

Proposition A Local Transit - Accounts for receipt and approved Local Transit Fund projects from a voter approved sales tax override for public transportation.

Proposition C Discretionary - Accounts for the maintenance of the mile-long bike path along the Metro-link Corridor in San Fernando.

Traffic Safety - Accounts for receipts from traffic fines as levied by local courts. Some of these funds are transferred to the General Fund for traffic safety purposes. The fund is required by Section 1463(b) of the California Penal Code.

Parking Maintenance and Operations - Accounts for parking receipts and maintenance of Business District parking facilities.

Local Transportation - Accounts for state funds allocated by the State for local pedestrian facility development or improvement.

Recreation - Accounts for receipts and the related expenditures from various recreation programs to be used for a specific program, such as sport leagues, craft and music classes, special events and concerts.

Quimby Act Fees - Accounts for revenues from real estate developers, who are required under state law to provide and support park facilities.

Street Lighting - Accounts for revenues and costs associated with the City's street lighting program.

Measure R - Accounts for the receipt of Measure R funds. These funds are to be used to provide traffic relief.

State Asset Forfeiture - Accounts for the receipts and disbursements of state seized and forfeited assets from sale of controlled substances.

State Gas Tax – Accounts for the City's share of motor fuel tax revenue restricted for street maintenance and repairs.

Federal Asset Forfeiture - Accounts for the receipts and disbursements of federal seized and forfeited assets from sale of controlled substances.

AQMD - Accounts for South Coast Air Quality Management District revenues. These funds may be used for various programs to reduce air pollution.

Cash-in-Lieu of Parking - Accounts for revenues and related expenditures from developers or builders who elect to pay a specified amount to the City instead of providing required parking.

City of San Fernando
Other Governmental Funds – Continued
June 30, 2014

SPECIAL REVENUE FUNDS - Continued

Pavement Management - Accounts for all of the pavement impact fees that are generated and the expenditures that are made related to the streets and highway infrastructure.

Proposition C - Accounts for the receipt of the "half-cent" sales tax allocated by LACMTA. These funds are to be used to reduce traffic congestion, improve air quality, improve conditions of streets/freeways, and reduce foreign fuel dependence.

Community Development Block Grant (CDBG) - Accounts for expenses of the Community Development Block Grant received through the County of Los Angeles.

Operating Grants - Accounts for revenues that are restricted for specific operating purposes, including law enforcement and parks and recreation.

Surface Transportation Program Local Funding (STP Local Fund) - Accounts for revenues received from a local sales tax measure to be used for street projects.

SLESF - Accounts for revenues received which are restricted for law enforcement.

CAPITAL PROJECTS FUNDS

Capital Grants - Accounts for revenues that are restricted for specific capital projects.

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City of San Fernando
Combining Balance Sheet
Other Governmental Funds
June 30, 2014

	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety	Parking Maintenance and Operations
ASSETS				
Cash and Investments	\$ 69,407	\$ 20,444	\$ 1,534	\$ 184,707
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	1,249	-
Grants	-	-	-	-
Loans Receivable	-	-	-	-
Advances to Other Funds	-	-	-	-
Prepaid Items	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 69,407</u>	<u>\$ 20,444</u>	<u>\$ 2,783</u>	<u>\$ 184,707</u>
LIABILITIES				
Accounts Payable	\$ 49,621	\$ -	\$ 288	\$ 13,139
Accrued Liabilities	1,392	-	43	3,171
Deposits	-	-	-	1,067
Retentions Payable	-	-	-	-
Due to Other Funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>51,013</u>	<u>-</u>	<u>331</u>	<u>17,377</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Long-term Loans	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted for:				
Transportation	18,394	20,444	-	-
Air Pollution	-	-	-	-
Parks and Recreation	-	-	-	167,330
Public Safety	-	-	2,452	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>18,394</u>	<u>20,444</u>	<u>2,452</u>	<u>167,330</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 69,407</u>	<u>\$ 20,444</u>	<u>\$ 2,783</u>	<u>\$ 184,707</u>

<u>Local Transportation</u>	<u>Recreation</u>	<u>Quimby Act Fees</u>	<u>Street Lighting</u>	<u>Measure R</u>	<u>State Asset Forfeiture</u>	<u>State Gas Tax</u>
\$ 3,305	\$ 62,386	\$ 278,412	\$ -	\$ 560,226	\$ 26,100	\$ 515,710
-	-	-	8,594	-	-	78,132
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,305</u>	<u>\$ 62,386</u>	<u>\$ 278,412</u>	<u>\$ 8,594</u>	<u>\$ 560,226</u>	<u>\$ 26,100</u>	<u>\$ 593,842</u>
\$ 3,305	\$ 9,221	\$ 228,108	\$ 39,133	\$ 11,200	\$ -	\$ 44,047
-	5,780	152	3,690	341	-	2,624
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	26,962	-	-	-
<u>3,305</u>	<u>15,001</u>	<u>228,260</u>	<u>69,785</u>	<u>11,541</u>	<u>-</u>	<u>46,671</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	548,685	-	547,171
-	-	-	-	-	-	-
-	47,385	50,152	-	-	-	-
-	-	-	-	-	26,100	-
-	-	-	(61,191)	-	-	-
<u>-</u>	<u>47,385</u>	<u>50,152</u>	<u>(61,191)</u>	<u>548,685</u>	<u>26,100</u>	<u>547,171</u>
<u>\$ 3,305</u>	<u>\$ 62,386</u>	<u>\$ 278,412</u>	<u>\$ 8,594</u>	<u>\$ 560,226</u>	<u>\$ 26,100</u>	<u>\$ 593,842</u>

Continued

City of San Fernando
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2014

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management
ASSETS				
Cash and Investments	\$ 37,095	\$ 127,335	\$ 71,672	\$ 50,961
Receivables:				
Taxes	-	7,757	-	-
Accounts	-	-	-	109,357
Grants	-	-	-	-
Loans Receivable	-	-	-	-
Advances to Other Funds	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 37,095</u>	<u>\$ 135,092</u>	<u>\$ 71,672</u>	<u>\$ 160,318</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	922
Deposits	-	-	-	-
Retentions Payable	-	-	-	189
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,111</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Long-term Loans	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted for:				
Transportation	-	-	71,672	159,207
Air Pollution	-	135,092	-	-
Parks and Recreation	-	-	-	-
Public Safety	37,095	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>37,095</u>	<u>135,092</u>	<u>71,672</u>	<u>159,207</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 37,095</u>	<u>\$ 135,092</u>	<u>\$ 71,672</u>	<u>\$ 160,318</u>

<u>Proposition C</u>	<u>Community Development Block Grant</u>	<u>Operating Grants</u>	<u>STP Local Fund</u>	<u>SLESF</u>	<u>Capital Grants</u>	<u>Total</u>
\$ 371,817	\$ -	\$ -	\$ 281,964	\$ 4	\$ -	\$ 2,663,079
-	-	-	-	-	-	94,483
-	-	10,000	-	-	-	120,606
-	-	35,267	-	-	113,696	148,963
-	422,600	-	-	-	-	422,600
-	-	-	-	-	-	-
-	116,820	1,900	-	-	-	118,720
<u>\$ 371,817</u>	<u>\$ 539,420</u>	<u>\$ 47,167</u>	<u>\$ 281,964</u>	<u>\$ 4</u>	<u>\$ 113,696</u>	<u>\$ 3,568,451</u>
\$ 38,605	\$ -	\$ 11,382	\$ -	\$ -	\$ 23,338	\$ 471,387
4,005	-	12,222	-	-	308	34,650
-	-	-	-	-	-	1,067
-	-	-	-	-	-	189
-	116,820	11,263	-	-	90,050	245,095
<u>42,610</u>	<u>116,820</u>	<u>34,867</u>	<u>-</u>	<u>-</u>	<u>113,696</u>	<u>752,388</u>
-	-	6,473	-	-	60,273	66,746
-	422,600	-	-	-	-	422,600
-	422,600	6,473	-	-	60,273	489,346
-	116,820	1,900	-	-	-	118,720
329,207	-	-	281,964	-	-	1,976,744
-	-	-	-	-	-	135,092
-	-	-	-	-	-	264,867
-	-	3,927	-	4	-	69,578
-	(116,820)	-	-	-	(60,273)	(238,284)
<u>329,207</u>	<u>-</u>	<u>5,827</u>	<u>281,964</u>	<u>4</u>	<u>(60,273)</u>	<u>2,326,717</u>
<u>\$ 371,817</u>	<u>\$ 539,420</u>	<u>\$ 47,167</u>	<u>\$ 281,964</u>	<u>\$ 4</u>	<u>\$ 113,696</u>	<u>\$ 3,568,451</u>

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2014

	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety	Parking Maintenance and Operations
REVENUES				
Taxes	\$ 408,664	\$ -	\$ -	\$ 44,096
Charges for Services	29,486	-	-	145,503
Fines and Forfeitures	-	-	17,623	-
Investment Earnings	28	9	-	12,800
Intergovernmental	-	-	-	-
Other	-	-	18,351	-
	<u>438,178</u>	<u>9</u>	<u>35,974</u>	<u>202,399</u>
Total Revenues	<u>438,178</u>	<u>9</u>	<u>35,974</u>	<u>202,399</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Community Development	-	-	-	-
Public Works	465,520	-	-	131,420
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	<u>465,520</u>	<u>-</u>	<u>-</u>	<u>131,420</u>
Total Expenditures	<u>465,520</u>	<u>-</u>	<u>-</u>	<u>131,420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,342)</u>	<u>9</u>	<u>35,974</u>	<u>70,979</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,081	-	-	2,562
Transfers Out	-	-	(31,825)	-
	<u>1,081</u>	<u>-</u>	<u>(31,825)</u>	<u>2,562</u>
Total Other Financing Sources (Uses)	<u>1,081</u>	<u>-</u>	<u>(31,825)</u>	<u>2,562</u>
Net Change in Fund Balances	(26,261)	9	4,149	73,541
Fund Balances, Beginning of Year	<u>44,655</u>	<u>20,435</u>	<u>(1,697)</u>	<u>93,789</u>
Fund Balances, End of Year	<u>\$ 18,394</u>	<u>\$ 20,444</u>	<u>\$ 2,452</u>	<u>\$ 167,330</u>

<u>Local Transportation</u>	<u>Recreation</u>	<u>Quimby Act Fees</u>	<u>Street Lighting</u>	<u>Measure R</u>	<u>State Asset Forfeiture</u>	<u>State Gas Tax</u>
\$ -	\$ -	\$ -	\$ 339,098	\$ 252,975	\$ -	\$ -
-	143,832	-	-	-	-	-
-	-	-	-	-	10,778	-
1	-	140	-	227	-	-
12,754	-	-	-	-	-	815,360
-	-	11,848	-	-	-	-
<u>12,755</u>	<u>143,832</u>	<u>11,988</u>	<u>339,098</u>	<u>253,202</u>	<u>10,778</u>	<u>815,360</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,504	-	-	347,383	18,834	-	104,652
-	102,336	14,965	-	-	-	-
-	-	264,241	-	-	6,442	95,172
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,504</u>	<u>102,336</u>	<u>279,206</u>	<u>347,383</u>	<u>18,834</u>	<u>6,442</u>	<u>199,824</u>
<u>(6,749)</u>	<u>41,496</u>	<u>(267,218)</u>	<u>(8,285)</u>	<u>234,368</u>	<u>4,336</u>	<u>615,536</u>
-	-	-	14,987	90	-	2,190
-	-	-	-	-	-	(369,852)
-	-	-	14,987	90	-	(367,662)
(6,749)	41,496	(267,218)	6,702	234,458	4,336	247,874
<u>6,749</u>	<u>5,889</u>	<u>317,370</u>	<u>(67,893)</u>	<u>314,227</u>	<u>21,764</u>	<u>299,297</u>
<u>\$ -</u>	<u>\$ 47,385</u>	<u>\$ 50,152</u>	<u>\$ (61,191)</u>	<u>\$ 548,685</u>	<u>\$ 26,100</u>	<u>\$ 547,171</u>

Continued

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2014

	<u>Federal Asset Forfeiture</u>	<u>AQMD</u>	<u>Cash-in-Lieu of Parking</u>	<u>Pavement Management</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Investment Earnings	17	55	-	40
Intergovernmental	-	29,768	-	-
Other	-	4,775	-	289,684
	<u>17</u>	<u>34,598</u>	<u>-</u>	<u>289,724</u>
EXPENDITURES				
Current:				
General Government	-	-	-	18,675
Public Safety	-	-	-	-
Community Development	-	-	-	-
Public Works	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17</u>	<u>34,598</u>	<u>-</u>	<u>271,049</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	427
Transfers Out	-	-	-	(230,326)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229,899)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229,899)</u>
Net Change in Fund Balances	17	34,598	-	41,150
Fund Balances, Beginning of Year	<u>37,078</u>	<u>100,494</u>	<u>71,672</u>	<u>118,057</u>
Fund Balances, End of Year	<u>\$ 37,095</u>	<u>\$ 135,092</u>	<u>\$ 71,672</u>	<u>\$ 159,207</u>

<u>Proposition C</u>	<u>Community Development Block Grant</u>	<u>Operating Grants</u>	<u>STP Local Fund</u>	<u>SLESF</u>	<u>Capital Grants</u>	<u>Total</u>
\$ 339,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,384,220
-	-	-	-	-	-	318,821
-	-	-	-	-	-	28,401
191	-	10	133	4	-	13,655
-	253,288	358,835	281,831	100,000	723,017	2,574,853
-	-	570	-	-	2,500	327,728
<u>339,578</u>	<u>253,288</u>	<u>359,415</u>	<u>281,964</u>	<u>100,004</u>	<u>725,517</u>	<u>4,647,678</u>
-	-	-	-	-	-	18,675
-	-	339,515	-	-	143,738	483,253
-	5,510	-	-	-	-	5,510
278,585	-	3,032	-	-	166,018	1,534,948
-	-	11,041	-	-	145,665	274,007
-	-	-	-	-	99,000	464,855
-	284,000	-	-	-	-	284,000
-	58,565	-	-	-	-	58,565
<u>278,585</u>	<u>348,075</u>	<u>353,588</u>	<u>-</u>	<u>-</u>	<u>554,421</u>	<u>3,123,813</u>
<u>60,993</u>	<u>(94,787)</u>	<u>5,827</u>	<u>281,964</u>	<u>100,004</u>	<u>171,096</u>	<u>1,523,865</u>
3,367	94,787	-	-	-	1,847,066	1,966,557
(119,682)	-	-	-	(100,000)	-	(851,685)
<u>(116,315)</u>	<u>94,787</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>1,847,066</u>	<u>1,114,872</u>
(55,322)	-	5,827	281,964	4	2,018,162	2,638,737
<u>384,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,078,435)</u>	<u>(312,020)</u>
<u>\$ 329,207</u>	<u>\$ -</u>	<u>\$ 5,827</u>	<u>\$ 281,964</u>	<u>\$ 4</u>	<u>\$ (60,273)</u>	<u>\$ 2,326,717</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition A Local Transit Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 406,822	\$ 408,664	\$ 1,842
Charges for Services	25,000	29,486	4,486
Investment Earnings	2,000	28	(1,972)
Total Revenues	433,822	438,178	4,356
EXPENDITURES			
Current:			
Public Works	479,569	465,520	14,049
Total Expenditures	479,569	465,520	14,049
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,747)	(27,342)	18,405
OTHER FINANCING SOURCES (USES)			
Transfers In	9,199	1,081	(8,118)
Total Other Financing Sources (Uses)	9,199	1,081	(8,118)
Net Change in Fund Balances	(36,548)	(26,261)	10,287
Fund Balance, Beginning of Year	44,655	44,655	-
Fund Balance, End of Year	\$ 8,107	\$ 18,394	\$ 10,287

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Discretionary Fund
Year Ended June 30, 2014

	Budgeted Amounts <u>Final</u>	Actual Amounts <u> </u>	Variance with Final Budget Positive (Negative) <u> </u>
REVENUES			
Investment Earnings	\$ -	\$ 9	\$ 9
Fund Balance, Beginning of Year	<u>20,435</u>	<u>20,435</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 20,435</u></u>	<u><u>\$ 20,444</u></u>	<u><u>\$ 9</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 18,000	\$ 17,623	\$ (377)
Other	18,351	18,351	-
Total Revenues	36,351	35,974	(377)
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,351	35,974	(377)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(31,825)	(31,825)	-
Total Other Financing Sources (Uses)	(31,825)	(31,825)	-
Net Change in Fund Balances	4,526	4,149	(377)
Fund Balance, Beginning of Year	(1,697)	(1,697)	-
Fund Balance, End of Year	\$ 2,829	\$ 2,452	\$ (377)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Parking Maintenance and Operations Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 49,129	\$ 44,096	\$ (5,033)
Charges for Services	145,827	145,503	(324)
Investment Earnings	12,800	12,800	-
Total Revenues	<u>207,756</u>	<u>202,399</u>	<u>(5,357)</u>
EXPENDITURES			
Current:			
Public Works	<u>226,088</u>	<u>131,420</u>	<u>94,668</u>
Total Expenditures	<u>226,088</u>	<u>131,420</u>	<u>94,668</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(18,332)</u>	<u>70,979</u>	<u>89,311</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	14,835	2,562	(12,273)
Transfers Out	<u>(36,088)</u>	<u>-</u>	<u>36,088</u>
Total Other Financing Sources (Uses)	<u>(21,253)</u>	<u>2,562</u>	<u>23,815</u>
Net Change in Fund Balances	(39,585)	73,541	113,126
Fund Balance, Beginning of Year	<u>93,789</u>	<u>93,789</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 54,204</u></u>	<u><u>\$ 167,330</u></u>	<u><u>\$ 113,126</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Fund
Year Ended June 30, 2014

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 1	\$ 1
Intergovernmental	<u>19,521</u>	<u>12,754</u>	<u>(6,767)</u>
Total Revenues	<u>19,521</u>	<u>12,755</u>	<u>(6,766)</u>
EXPENDITURES			
Current:			
Public Works	<u>16,200</u>	<u>19,504</u>	<u>(3,304)</u>
Total Expenditures	<u>16,200</u>	<u>19,504</u>	<u>(3,304)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,321	(6,749)	(10,070)
Fund Balance, Beginning of Year	<u>6,749</u>	<u>6,749</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 10,070</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (10,070)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 140,111	\$ 143,832	\$ 3,721
Total Revenues	140,111	143,832	3,721
EXPENDITURES			
Current:			
Parks and Recreation	127,937	102,336	25,601
Total Expenditures	127,937	102,336	25,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,174	41,496	29,322
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	12,174	41,496	29,322
Fund Balance, Beginning of Year	5,889	5,889	-
Fund Balance, End of Year	\$ 18,063	\$ 47,385	\$ 29,322

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Quimby Act Fees Fund
Year Ended June 30, 2014

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 140	\$ 140
Other	<u>11,848</u>	<u>11,848</u>	<u>-</u>
Total Revenues	<u>11,848</u>	<u>11,988</u>	<u>140</u>
EXPENDITURES			
Current:			
Parks and Recreation	4,949	14,965	(10,016)
Capital Outlay	<u>299,006</u>	<u>264,241</u>	<u>34,765</u>
Total Expenditures	<u>303,955</u>	<u>279,206</u>	<u>24,749</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(292,107)	(267,218)	24,889
Fund Balance, Beginning of Year	<u>317,370</u>	<u>317,370</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 25,263</u></u>	<u><u>\$ 50,152</u></u>	<u><u>\$ 24,889</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Street Lighting Fund
Year Ended June 30, 2014

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Taxes	\$ 333,571	\$ 339,098	\$ 5,527
Total Revenues	<u>333,571</u>	<u>339,098</u>	<u>5,527</u>
EXPENDITURES			
Current:			
Public Works	413,588	347,383	66,205
Total Expenditures	<u>413,588</u>	<u>347,383</u>	<u>66,205</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,017)</u>	<u>(8,285)</u>	<u>71,732</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	32,144	14,987	(17,157)
Total Other Financing Sources (Uses)	<u>32,144</u>	<u>14,987</u>	<u>(17,157)</u>
Net Change in Fund Balances	(47,873)	6,702	54,575
Fund Balance, Beginning of Year	<u>(67,893)</u>	<u>(67,893)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (115,766)</u></u>	<u><u>\$ (61,191)</u></u>	<u><u>\$ 54,575</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure R Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 253,086	\$ 252,975	\$ (111)
Investment Earnings	-	227	227
Total Revenues	<u>253,086</u>	<u>253,202</u>	<u>116</u>
EXPENDITURES			
Current:			
Public Works	39,183	18,834	20,349
Capital Outlay	<u>419,000</u>	<u>-</u>	<u>419,000</u>
Total Expenditures	<u>458,183</u>	<u>18,834</u>	<u>439,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(205,097)</u>	<u>234,368</u>	<u>439,465</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,126	90	(1,036)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,126</u>	<u>90</u>	<u>(1,036)</u>
Net Change in Fund Balances	(203,971)	234,458	438,429
Fund Balance, Beginning of Year	<u>314,227</u>	<u>314,227</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 110,256</u></u>	<u><u>\$ 548,685</u></u>	<u><u>\$ 438,429</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Asset Forfeiture Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 3,803	\$ 10,778	\$ 6,975
Total Revenues	3,803	10,778	6,975
EXPENDITURES			
Capital Outlay	7,000	6,442	558
Total Expenditures	7,000	6,442	558
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,197)	4,336	7,533
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(3,197)	4,336	7,533
Fund Balance, Beginning of Year	21,764	21,764	-
Fund Balance, End of Year	\$ 18,567	\$ 26,100	\$ 7,533

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Gas Tax Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	674,416	815,360	140,944
Total Revenues	674,416	815,360	140,944
EXPENDITURES			
Current:			
Public Works	160,677	104,652	56,025
Capital Outlay	96,035	95,172	863
Total Expenditures	256,712	199,824	56,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	417,704	615,536	197,832
OTHER FINANCING SOURCES (USES)			
Transfers In	14,401	2,190	(12,211)
Transfers Out	(369,852)	(369,852)	-
Total Other Financing Sources (Uses)	(355,451)	(367,662)	(12,211)
Net Change in Fund Balances	62,253	247,874	185,621
Fund Balance, Beginning of Year	299,297	299,297	-
Fund Balance, End of Year	\$ 361,550	\$ 547,171	\$ 185,621

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Federal Asset Forfeiture Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	-	17	17
	<u>-</u>	<u>17</u>	<u>17</u>
Total Revenues	-	17	17
	<u>-</u>	<u>17</u>	<u>17</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	17	17
	<u>-</u>	<u>17</u>	<u>17</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	17	17
Fund Balance, Beginning of Year	37,078	37,078	-
	<u>37,078</u>	<u>37,078</u>	<u>-</u>
Fund Balance, End of Year	\$ 37,078	\$ 37,095	\$ 17
	<u>\$ 37,078</u>	<u>\$ 37,095</u>	<u>\$ 17</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - AQMD Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 55	\$ 55
Intergovernmental	29,000	29,768	768
Other	4,775	4,775	-
Total Revenues	33,775	34,598	823
EXPENDITURES			
Current:			
Public Works	127,000	-	127,000
Total Expenditures	127,000	-	127,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(93,225)	34,598	127,823
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(93,225)	34,598	127,823
Fund Balance, Beginning of Year	100,494	100,494	-
Fund Balance, End of Year	\$ 7,269	\$ 135,092	\$ 127,823

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cash-in-Lieu of Parking Fund
Year Ended June 30, 2014

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget Positive (Negative) <u></u>
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Fund Balance, Beginning of Year	<u>71,672</u>	<u>71,672</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 71,672</u></u>	<u><u>\$ 71,672</u></u>	<u><u>\$ -</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Pavement Management Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 40	\$ 40
Other	227,206	289,684	62,478
Total Revenues	227,206	289,724	62,518
EXPENDITURES			
Current:			
General Government	18,927	18,675	252
Capital Outlay	200,000	-	200,000
Total Expenditures	218,927	18,675	200,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,279	271,049	262,770
OTHER FINANCING SOURCES (USES)			
Transfers In	2,798	427	(2,371)
Transfers Out	(230,326)	(230,326)	-
Total Other Financing Sources (Uses)	(227,528)	(229,899)	(2,371)
Net Change in Fund Balances	(219,249)	41,150	260,399
Fund Balance, Beginning of Year	118,057	118,057	-
Fund Balance, End of Year	\$ (101,192)	\$ 159,207	\$ 260,399

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 337,148	\$ 339,387	\$ 2,239
Investment Earnings	300	191	(109)
Total Revenues	<u>337,448</u>	<u>339,578</u>	<u>2,130</u>
EXPENDITURES			
Current:			
Public Works	480,258	278,585	201,673
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>480,258</u>	<u>278,585</u>	<u>201,673</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(142,810)</u>	<u>60,993</u>	<u>203,803</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	22,884	3,367	(19,517)
Transfers Out	<u>(119,682)</u>	<u>(119,682)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(96,798)</u>	<u>(116,315)</u>	<u>(19,517)</u>
Net Change in Fund Balances	(239,608)	(55,322)	184,286
Fund Balance, Beginning of Year	<u>384,529</u>	<u>384,529</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 144,921</u></u>	<u><u>\$ 329,207</u></u>	<u><u>\$ 184,286</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 245,290	\$ 253,288	\$ 7,998
Other	-	-	-
Total Revenues	<u>245,290</u>	<u>253,288</u>	<u>7,998</u>
EXPENDITURES			
Current:			
Community Development	5,510	5,510	-
Public Works	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	284,000	284,000	-
Interest and Fiscal Charges	58,565	58,565	-
Total Expenditures	<u>348,075</u>	<u>348,075</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(102,785)</u>	<u>(94,787)</u>	<u>7,998</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>102,785</u>	<u>94,787</u>	<u>(7,998)</u>
Total Other Financing Sources (Uses)	<u>102,785</u>	<u>94,787</u>	<u>(7,998)</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Operating Grants Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 10	\$ 10
Intergovernmental	344,477	358,835	14,358
Other	-	570	570
	<u>344,477</u>	<u>359,415</u>	<u>14,938</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	147,000	339,515	(192,515)
Public Works	-	3,032	(3,032)
Parks and Recreation	11,041	11,041	-
	<u>158,041</u>	<u>353,588</u>	<u>(195,547)</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>186,436</u>	<u>5,827</u>	<u>(180,609)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	186,436	5,827	(180,609)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ 186,436</u>	<u>\$ 5,827</u>	<u>\$ (180,609)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - STP Local Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 133	\$ 133
Intergovernmental	281,831	281,831	-
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	281,831	281,964	133
	<u>281,831</u>	<u>281,964</u>	<u>133</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	-	-	-
Parks and Recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	281,831	281,964	133
	<u>281,831</u>	<u>281,964</u>	<u>133</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	281,831	281,964	133
Fund Balance, Beginning of Year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 281,831</u>	<u>\$ 281,964</u>	<u>\$ 133</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SLESF Local Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ 4	\$ 4
Intergovernmental	100,000	100,000	-
Other	-	-	-
	<u>100,000</u>	<u>100,004</u>	<u>4</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	-	-	-
Parks and Recreation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100,000</u>	<u>100,004</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	-	4	4
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Grants Capital Projects Fund
Year Ended June 30, 2014

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	2,327,832	723,017	(1,604,815)
Other	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total Revenues	<u>2,330,332</u>	<u>725,517</u>	<u>(1,604,815)</u>
EXPENDITURES			
Current:			
Public Safety	121,264	143,738	(22,474)
Public Works	2,202,218	166,018	2,036,200
Parks and Recreation	380,296	145,665	234,631
Capital Outlay	<u>99,000</u>	<u>99,000</u>	<u>-</u>
Total Expenditures	<u>2,802,778</u>	<u>554,421</u>	<u>2,248,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(472,446)</u>	<u>171,096</u>	<u>643,542</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>1,847,066</u>	<u>1,847,066</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,847,066</u>	<u>1,847,066</u>
Net Change in Fund Balances	(472,446)	2,018,162	2,490,608
Fund Balance, Beginning of Year	<u>(2,078,435)</u>	<u>(2,078,435)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (2,550,881)</u></u>	<u><u>\$ (60,273)</u></u>	<u><u>\$ 2,490,608</u></u>

City of San Fernando
Fiduciary Fund
June 30, 2014

Agency Fund - This fund is used to account for funds received by the City as an agent for other entities.

City of San Fernando
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 100,673	\$ 244,292	\$ 236,248	\$ 108,717
Accounts Receivable	1,000	16	1,000	16
Total Assets	<u>\$ 101,673</u>	<u>\$ 244,308</u>	<u>\$ 237,248</u>	<u>\$ 108,733</u>
LIABILITIES				
Accounts Payable	\$ 2,292	\$ 204,211	\$ 196,156	\$ 10,347
Deposits	99,381	243,083	244,078	98,386
Total Liabilities	<u>\$ 101,673</u>	<u>\$ 447,294</u>	<u>\$ 440,234</u>	<u>\$ 108,733</u>

III. Statistical Section



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City of San Fernando
Description of Statistical Section Contents
June 30, 2014

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

Contents:	<u>Pages</u>
<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	106
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	116
<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	122
<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	126
<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	129

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

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$ 18,598,023	\$ 19,972,495	\$ 43,237,994	\$ 42,548,031
Restricted	931,708	8,528,754	11,957,932	13,204,186
Unrestricted	<u>(5,875,097)</u>	<u>(7,970,119)</u>	<u>(10,844,681)</u>	<u>(11,650,513)</u>
Total governmental activities net position	<u>\$ 13,654,634</u>	<u>\$ 20,531,130</u>	<u>\$ 44,351,245</u>	<u>\$ 44,101,704</u>
Business-type activities:				
Net investment in capital assets	\$ 7,635,859	\$ 7,321,367	\$ 17,439,596	\$ 16,950,800
Restricted	-	-	-	-
Unrestricted	<u>7,701,850</u>	<u>8,523,702</u>	<u>7,858,369</u>	<u>7,846,843</u>
Total business-type activities net position	<u>\$ 15,337,709</u>	<u>\$ 15,845,069</u>	<u>\$ 25,297,965</u>	<u>\$ 24,797,643</u>
Primary government:				
Net investment in capital assets	\$ 26,233,882	\$ 27,293,862	\$ 60,677,590	\$ 59,498,831
Restricted	931,708	8,528,754	11,957,932	13,204,186
Unrestricted	<u>1,826,753</u>	<u>553,583</u>	<u>(2,986,312)</u>	<u>(3,803,670)</u>
Total primary government net position	<u>\$ 28,992,343</u>	<u>\$ 36,376,199</u>	<u>\$ 69,649,210</u>	<u>\$ 68,899,347</u>

Source: City Finance Department

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 42,804,903	\$ 42,262,518	\$ 43,598,683	\$ 50,993,498	\$ 49,532,007	\$ 47,859,172
14,329,955	14,364,410	13,040,082	2,533,805	1,802,498	11,909,107
<u>(14,751,986)</u>	<u>(17,503,004)</u>	<u>(19,365,287)</u>	<u>(14,057,614)</u>	<u>(16,643,447)</u>	<u>(20,208,301)</u>
<u>\$ 42,382,872</u>	<u>\$ 39,123,924</u>	<u>\$ 37,273,478</u>	<u>\$ 39,469,689</u>	<u>\$ 34,691,058</u>	<u>\$ 39,559,978</u>
\$ 16,267,470	\$ 15,547,758	\$ 15,324,618	\$ 14,811,543	\$ 14,420,860	\$ 14,866,478
-	-	-	-	-	-
<u>7,920,801</u>	<u>7,206,906</u>	<u>7,733,239</u>	<u>7,887,577</u>	<u>8,492,168</u>	<u>8,626,377</u>
<u>\$ 24,188,271</u>	<u>\$ 22,754,664</u>	<u>\$ 23,057,857</u>	<u>\$ 22,699,120</u>	<u>\$ 22,913,028</u>	<u>\$ 23,492,855</u>
\$ 59,072,373	\$ 57,810,276	\$ 58,923,301	\$ 65,805,041	\$ 63,952,867	\$ 62,725,650
14,329,955	14,364,410	13,040,082	2,533,805	1,802,498	11,909,107
<u>(6,831,185)</u>	<u>(10,296,098)</u>	<u>(11,632,048)</u>	<u>(6,170,037)</u>	<u>(8,151,279)</u>	<u>(11,581,924)</u>
<u>\$ 66,571,143</u>	<u>\$ 61,878,588</u>	<u>\$ 60,331,335</u>	<u>\$ 62,168,809</u>	<u>\$ 57,604,086</u>	<u>\$ 63,052,833</u>

City of San Fernando
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
General government	\$ 7,701,673	\$ 7,065,983	\$ 6,472,343	\$ 9,724,823	\$ 7,343,319
Public safety	8,588,373	8,761,669	9,322,543	9,881,438	10,101,285
Community development	3,149,303	2,859,514	1,945,956	2,891,460	3,220,792
Public works	1,938,912	2,001,888	5,764,469	5,383,561	6,102,140
Parks and recreation	3,090,098	1,667,800	1,944,663	2,123,999	3,745,511
Capital outlay	-	-	-	-	-
Interest on long-term debt	583,454	667,366	1,009,135	1,045,722	963,737
Total governmental activities expenses	<u>25,051,813</u>	<u>23,024,220</u>	<u>26,459,109</u>	<u>31,051,003</u>	<u>31,476,784</u>
Business-type activities:					
Water	2,286,754	3,023,474	3,380,128	2,946,107	3,183,923
Sewer	1,632,168	1,723,353	2,969,735	2,812,307	2,731,323
Waste disposal	1,181,607	1,182,631	1,261,254	1,142,613	1,125,434
Total business-type activities expenses	<u>5,100,529</u>	<u>5,929,458</u>	<u>7,611,117</u>	<u>6,901,027</u>	<u>7,040,680</u>
Total primary government expenses	<u>30,152,342</u>	<u>28,953,678</u>	<u>34,070,226</u>	<u>37,952,030</u>	<u>38,517,464</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	4,962,322	2,977,575	2,351,218	2,095,604	2,455,039
Public safety	1,084,958	358,088	1,192,594	1,383,612	1,710,327
Community development	2,500	604,626	308,974	287,403	334,666
Public works	649,641	655,844	931,094	903,091	916,211
Parks and recreation	544,675	357,345	575,260	1,702,639	878,659
Operating grants and contributions	-	1,924,581	2,371,022	2,100,154	3,425,677
Capital grants and contributions	3,147,589	2,196,347	2,314,280	1,674,190	2,063,580
Total governmental activities program revenues	<u>10,391,685</u>	<u>9,074,406</u>	<u>10,044,442</u>	<u>10,146,693</u>	<u>11,784,159</u>
Business-type activities:					
Charges for services:					
Water	2,667,963	2,809,324	2,878,972	2,839,207	2,795,599
Sewer	2,381,596	2,498,588	2,482,039	2,458,857	2,562,997
Waste disposal	1,111,776	1,159,112	1,153,329	1,063,799	1,097,873
Total business-type activities program revenues	<u>6,161,335</u>	<u>6,467,024</u>	<u>6,514,340</u>	<u>6,361,863</u>	<u>6,456,469</u>
Total primary government program revenues	<u>16,553,020</u>	<u>15,541,430</u>	<u>16,558,782</u>	<u>16,508,556</u>	<u>18,240,628</u>
Net revenues (expenses):					
Governmental activities	(14,660,128)	(13,949,814)	(16,414,667)	(20,904,310)	(19,692,625)
Business-type activities	1,060,806	537,566	(1,096,777)	(539,164)	(584,211)
Total net revenues (expenses)	<u>(13,599,322)</u>	<u>(13,412,248)</u>	<u>(17,511,444)</u>	<u>(21,443,474)</u>	<u>(20,276,836)</u>

Source: City Finance Department

Fiscal Year				
2010	2011	2012	2013	2014
\$ 8,393,942	\$ 9,051,209	\$ 6,397,275	\$ 6,459,914	\$ 4,619,200
9,917,154	10,137,119	10,346,561	9,414,862	10,190,441
5,547,132	3,658,552	1,944,293	999,751	981,236
5,591,332	4,960,530	5,423,605	5,503,387	6,052,317
2,960,683	2,375,034	2,145,767	2,224,370	1,781,749
-	-	-	-	-
1,141,113	1,092,731	509,971	72,425	58,565
<u>33,551,356</u>	<u>31,275,175</u>	<u>26,767,472</u>	<u>24,674,709</u>	<u>23,683,508</u>
3,282,758	3,227,843	3,248,148	3,172,962	2,981,710
2,614,749	1,867,044	2,445,675	2,802,013	2,893,127
1,098,303	1,077,641	1,027,810	1,021,804	827,986
<u>6,995,810</u>	<u>6,172,528</u>	<u>6,721,633</u>	<u>6,996,779</u>	<u>6,702,823</u>
<u>40,547,166</u>	<u>37,447,703</u>	<u>33,489,105</u>	<u>31,671,488</u>	<u>30,386,331</u>
2,698,964	2,503,993	584,356	513,512	820,334
1,642,838	1,583,487	1,359,010	1,553,828	1,538,619
425,299	581,323	413,067	295,199	431,884
975,160	903,323	565,723	757,265	912,209
871,337	526,198	458,090	576,507	564,742
3,287,154	4,432,649	3,197,798	3,139,513	2,851,032
1,094,301	1,896,595	930,527	719,000	1,204,330
<u>10,995,053</u>	<u>12,427,568</u>	<u>7,508,571</u>	<u>7,554,824</u>	<u>8,323,150</u>
2,737,198	3,064,458	2,769,412	3,291,272	3,806,797
2,367,243	2,383,329	2,580,623	2,892,407	3,326,587
1,110,869	1,125,037	1,122,709	1,131,929	858,516
<u>6,215,310</u>	<u>6,572,824</u>	<u>6,472,744</u>	<u>7,315,608</u>	<u>7,991,900</u>
<u>17,210,363</u>	<u>19,000,392</u>	<u>13,981,315</u>	<u>14,870,432</u>	<u>16,315,050</u>
(22,556,303)	(18,847,607)	(19,258,901)	(17,119,885)	(15,360,358)
<u>(780,500)</u>	<u>400,296</u>	<u>(248,889)</u>	<u>318,829</u>	<u>1,289,077</u>
<u>(23,336,803)</u>	<u>(18,447,311)</u>	<u>(19,507,790)</u>	<u>(16,801,056)</u>	<u>(14,071,281)</u>

(Continued)

City of San Fernando
Changes in Net Position
Last Ten Fiscal Years - (Continued)
(accrual basis of accounting)

	Fiscal Year				
	2005	2006	2007	2008	2009
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property	\$ 8,664,486	\$ 9,868,621	\$ 10,591,345	\$ 11,937,517	\$ 12,976,749
Sales and use	6,437,044	6,992,207	3,673,550	3,154,930	2,599,450
Property taxes in lieu of sales and use taxes	-	-	-	1,029,267	998,834
Business license taxes	-	-	-	-	-
Franchise	2,067,293	350,718	373,991	325,742	418,974
Motor fuel	-	-	-	-	-
Other taxes	-	-	-	-	-
Intergovernmental, unrestricted	575,837	180,687	1,873,488	100,464	85,783
Investment income	400,074	198,089	796,038	472,572	108,972
Gain on sale of property	-	-	-	2,569,335	-
Other	-	15,178	729,944	832,593	892,153
Transfers	222,321	220,810	220,810	232,349	222,623
Extraordinary gain	-	-	-	-	-
Total governmental activities	<u>18,367,055</u>	<u>17,826,310</u>	<u>18,259,166</u>	<u>20,654,769</u>	<u>18,303,538</u>
Business-type activities:					
Investment income	169,465	260,460	354,850	271,191	197,462
Other	-	(69,856)	-	-	-
Transfers	(222,321)	(220,810)	(220,810)	(232,349)	(222,623)
Total business-type activities	<u>(52,856)</u>	<u>(30,206)</u>	<u>134,040</u>	<u>38,842</u>	<u>(25,161)</u>
Total primary government	<u>18,314,199</u>	<u>17,796,104</u>	<u>18,393,206</u>	<u>20,693,611</u>	<u>18,278,377</u>
Changes in net position					
Governmental activities	3,706,927	3,876,496	1,844,499	(249,541)	(1,389,087)
Business-type activities	1,007,950	507,360	(962,737)	(500,322)	(609,372)
Total primary government	<u>\$ 4,714,877</u>	<u>\$ 4,383,856</u>	<u>\$ 881,762</u>	<u>\$ (749,863)</u>	<u>\$ (1,998,459)</u>

- (1) The fluctuations beginning in fiscal year 2012 compared to prior years resulted from reclassifications of certain revenues.
- (2) The extraordinary gain in 2012 resulted from the dissolution of the City's Redevelopment Agency in accordance with State law.

Source: City Finance Department

Fiscal Year				
2010	2011	2012	2013	2014
\$ 13,101,490	\$ 12,596,288	\$ 10,198,997	\$ 6,650,806	\$ 8,406,309 (1)
2,478,957	2,323,994	2,380,675	2,637,297	4,175,825
927,430	596,449	603,373	867,581	963,741
-	-	1,082,584	1,031,924	1,043,365 (1)
341,642	333,522	307,119	297,319	409,176
-	-	-	-	-
-	-	1,002,816	357,190	374,933 (1)
74,236	115,898	264,443	-	-
264,448	244,419	918	1,530	16,790
-	298,411	120,000	-	-
1,014,000	1,467,179	562,404	376,607	573,853
340,902	121,000	121,000	121,000	4,265,286
-	-	4,810,783	-	- (2)
<u>18,543,105</u>	<u>18,097,160</u>	<u>21,455,112</u>	<u>12,341,254</u>	<u>20,229,278</u>
45,256	23,897	11,152	16,079	10,458
-	-	-	-	-
<u>(340,902)</u>	<u>(121,000)</u>	<u>(121,000)</u>	<u>(121,000)</u>	<u>(719,708)</u>
<u>(295,646)</u>	<u>(97,103)</u>	<u>(109,848)</u>	<u>(104,921)</u>	<u>(709,250)</u>
<u>18,247,459</u>	<u>18,000,057</u>	<u>21,345,264</u>	<u>12,236,333</u>	<u>19,520,028</u>
(4,013,198)	(750,447)	2,196,211	(4,778,631)	4,868,920
<u>(1,076,146)</u>	<u>303,193</u>	<u>(358,737)</u>	<u>213,908</u>	<u>579,827</u>
<u>\$ (5,089,344)</u>	<u>\$ (447,254)</u>	<u>\$ 1,837,474</u>	<u>\$ (4,564,723)</u>	<u>\$ 5,448,747</u>

City of San Fernando
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2005	2006	2007	2008	2009
General fund:					
Reserved	\$ 49,532	\$ 183,608	\$ 2,055,539	\$ 69,999	\$ 639,172
Unreserved	<u>3,026,464</u>	<u>4,984,271</u>	<u>3,992,140</u>	<u>2,362,813</u>	<u>(492,513)</u>
Total general fund	<u>\$ 3,075,996</u>	<u>\$ 5,167,879</u>	<u>\$ 6,047,679</u>	<u>\$ 2,432,812</u>	<u>\$ 146,659</u>
All other governmental funds:					
Reserved	\$ 6,942,187	\$ 9,375,226	\$12,189,553	\$ 8,760,628	\$ 7,112,657
Unreserved, reported in:					
Special revenue funds	(2,101,096)	(2,923,775)	(2,020,353)	(3,636,210)	(422,538)
Debt service funds	87,989	(84,361)	(565,199)	(611,346)	611,990
Capital projects funds	816,814	29,777	4,979,008	(1,105,235)	(2,896,209)
Other	<u>2,136,295</u>	<u>2,131,887</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 7,882,189</u>	<u>\$ 8,528,754</u>	<u>\$14,583,009</u>	<u>\$ 3,407,837</u>	<u>\$ 4,405,900</u>
General fund:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: GASB 54 was implemented in 2011. Years prior to that have no comparable data.

Fiscal Year				
2010	2011	2012	2013	2014
\$ 768,679	\$ -	\$ -	\$ -	\$ -
(666,295)	-	-	-	-
<u>\$ 102,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,245,010	\$ -	\$ -	\$ -	\$ -
(614,082)	-	-	-	-
(2,222,757)	-	-	-	-
(2,759,950)	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,648,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 237,378	\$ 335,766	\$ 392,931	\$ 739,783
<u>-</u>	<u>(856,695)</u>	<u>(1,572,548)</u>	<u>(2,139,983)</u>	<u>(6,433,688)</u>
<u>\$ -</u>	<u>\$ (619,317)</u>	<u>\$ (1,236,782)</u>	<u>\$ (1,747,052)</u>	<u>\$ (5,693,905)</u>
\$ -	\$ 5,448,274	\$ 492,395	\$ 94,787	\$ 118,720
-	2,890,223	2,199,614	1,836,005	11,840,461
<u>-</u>	<u>(7,022,933)</u>	<u>(2,508,607)</u>	<u>(164,377)</u>	<u>(238,284)</u>
<u>\$ -</u>	<u>\$ 1,315,564</u>	<u>\$ 183,402</u>	<u>\$ 1,766,415</u>	<u>\$ 11,720,897</u>

City of San Fernando
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Taxes	\$ 17,116,611	\$ 18,160,481	\$ 17,869,675	\$ 19,597,729
Licenses and permits	1,591,609	1,321,998	235,143	254,159
Charges for services	481,095	499,624	1,997,264	3,307,933
Fines and forfeitures	850,464	970,687	886,395	1,074,122
Investment earnings	400,074	807,847	1,084,708	731,934
Intergovernmental	6,521,737	4,297,805	5,607,795	3,608,832
Administrative overhead	930,628	1,672,248	-	-
Community development	-	-	-	-
Sale of inventory	-	-	-	500,000
Other	894,473	1,148,455	1,563,678	1,424,980
Total revenues	<u>28,786,691</u>	<u>28,879,145</u>	<u>29,244,658</u>	<u>30,499,689</u>
Expenditures				
Current:				
General government	8,037,230	7,834,515	7,499,986	8,998,389
Public safety	8,375,379	8,466,474	9,664,425	9,977,618
Community development	1,344,615	3,069,196	2,189,345	5,051,488
Public works	5,206,946	3,798,336	9,192,018	7,060,897
Parks and recreation	1,918,860	1,939,812	1,925,068	5,093,249
Pass-throughs	-	-	927,114	1,004,484
SERAF	-	-	-	-
Other	2,321	-	-	-
Capital outlay	1,717,999	-	2,826,135	6,167,164
Debt service:				
Principal	575,000	787,000	832,000	1,309,000
Interest and fiscal charges	432,867	498,414	682,275	859,788
Cost of issuance	-	-	383,621	-
Total expenditures	<u>27,611,217</u>	<u>26,393,747</u>	<u>36,121,987</u>	<u>45,522,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,175,474</u>	<u>2,485,398</u>	<u>(6,877,329)</u>	<u>(15,022,388)</u>
Other financing sources (uses):				
Transfers in	7,496,266	4,817,583	4,078,292	4,451,217
Transfers out	(4,273,945)	(4,596,773)	(3,857,482)	(4,218,868)
Payment to/from bond escrow agent	-	32,240	-	-
Issuance of debt	-	-	11,490,000	-
Discount	-	-	(74,426)	-
Sale of property	-	-	-	-
Total other financing sources (uses)	<u>3,222,321</u>	<u>253,050</u>	<u>11,636,384</u>	<u>232,349</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,397,795</u>	<u>\$ 2,738,448</u>	<u>\$ 4,759,055</u>	<u>\$ (14,790,039)</u>
Debt service as a percentage of noncapital expenditures	4.1%	5.1%	5.0%	6.0%

Source: City Finance Department

The above fluctuations in revenues and expenditures in 2012 are a result of reclassifications and the dissolution of the Redevelopment Agency, previously reported as a blended component unit.

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 20,136,147	\$ 18,114,573	\$ 17,433,856	\$ 14,941,249	\$ 11,120,845	\$ 14,372,140
260,071	223,748	249,754	279,825	337,085	410,512
2,814,217	2,876,980	2,697,601	1,508,783	2,714,937	2,919,857
1,268,174	1,226,322	1,183,299	888,136	734,210	589,571
699,154	700,719	570,661	280,368	218,923	232,404
5,481,477	6,017,833	7,005,399	5,234,049	4,467,012	4,615,312
-	-	-	-	-	-
-	-	-	-	-	-
125,000	-	-	-	-	-
1,931,944	2,177,633	2,331,930	1,013,941	512,402	1,013,376
32,716,184	31,337,808	31,472,500	24,146,351	20,105,414	24,153,172
8,362,675	7,870,484	7,710,354	4,623,271	4,967,021	2,398,576
10,620,149	10,382,127	10,556,689	9,961,760	9,032,340	9,811,572
2,033,620	1,636,343	2,364,956	1,222,182	791,977	775,446
4,383,266	3,274,845	3,085,317	3,748,331	4,034,856	4,248,932
3,731,142	2,921,263	2,332,198	2,055,715	2,134,851	1,693,085
1,367,117	1,745,906	1,712,477	1,067,046	-	-
-	2,063,811	424,902	-	-	-
-	-	-	-	-	-
1,538,552	989,588	2,835,433	-	427,999	464,855
1,418,388	1,663,887	1,933,535	-	268,000	384,000
771,988	932,410	870,409	378,568	72,425	58,565
-	-	-	-	-	-
34,226,897	33,480,664	33,826,270	23,056,873	21,729,469	19,835,031
(1,510,713)	(2,142,856)	(2,353,770)	1,089,478	(1,624,055)	4,318,141
5,468,685	6,818,161	7,603,439	3,233,411	3,338,164	11,677,345
(5,246,062)	(6,477,259)	(7,482,439)	(3,112,411)	(3,217,164)	(7,412,059)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	178,411	245,000	-	-
222,623	340,902	299,411	366,000	121,000	4,265,286
-	-	-	(1,723,105)	-	-
\$ (1,288,090)	\$ (1,801,954)	\$ (2,054,359)	\$ (267,627)	\$ (1,503,055)	\$ 8,583,427
7.2%	8.7%	10.1%	1.7%	1.6%	2.3%

City of San Fernando
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential	Commercial	Industrial	Other	Unsecured	Unknown	Taxable Assessed Value	Direct Tax Rate
2005	623,693,705	188,143,522	170,451,341	22,958,543	82,517,735	16,996,055	1,104,760,901	0.68950%
2006	701,620,690	204,017,895	183,844,983	23,324,074	78,503,390	17,719,324	1,209,030,356	0.69569%
2007	802,084,309	218,355,001	198,477,251	27,888,079	82,754,213	9,954,395	1,339,513,248	0.68705%
2008	900,052,366	240,006,510	216,095,061	25,461,983	76,947,962	-	1,458,563,882	0.68705%
2009	924,249,336	254,066,849	223,073,530	35,618,563	78,152,281	-	1,515,160,559	0.68605%
2010	834,108,715	256,442,463	258,825,850	32,405,858	112,691,566	-	1,494,474,452	0.73077%
2011	796,187,198	259,924,017	257,840,462	31,707,331	108,228,918	-	1,453,887,926	0.73507%
2012	810,126,651	261,333,463	254,802,905	36,235,560	108,145,377	-	1,470,643,956	0.73170%
2013	832,506,508	264,733,131	258,909,717	44,405,697	121,871,794	-	1,522,426,847	0.73170%
2014	867,056,835	274,616,719	261,395,589	32,346,933	124,425,059	-	1,559,841,135	0.73170%

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time 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.

Data Source: L.A. County Assessor 2004/05 -2013/14 Combined Tax Rolls provided by HdL, Coren & Cone

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City Direct Rates:										
City basic rate ³	0.4298	0.4298	0.4269	0.4298	0.4298	0.4298	0.4298	0.4298	0.4298	0.4021
Redevelopment Rate ⁴	0.2913	0.2904	0.2868	0.2887	0.2886	0.2885	0.2879	0.2879	-	-
Total Direct Rate ⁵	0.6901	0.6961	0.6874	0.6794	0.6831	0.7308	0.7351	0.7317	0.73694	0.39186

Notes:

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the Fiscal year 2012/13

⁵ Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Data Source: L.A. County Assessor 2004/05 - 2013/14 Tax Rate Table provided by HdL, Coren & Cone.

City of San Fernando
Principal Property Tax Payers
Top Ten Property Taxpayers Current Year and Ten Years Ago

Taxpayer	2014		Taxpayer	2005	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
CPF San Fernando LLC	\$ 72,156,724	4.63%	CLPF San Fernando LP	\$ 44,459,463	4.02%
Pharmavite LLC	57,684,760	3.70%	315 Partners LLC	18,741,815	1.70%
SFVS Company LLC	20,861,942	1.34%	SFVS Company LLC	17,970,376	1.63%
Foothill HD Retail Center LLC	19,602,028	1.26%	San Fernando Gateway LLC	15,444,055	1.40%
Ahi Glenoaks Inc.	15,933,378	1.02%	Foothill HD Retail Center LLC	15,332,476	1.39%
San Fernando Gateway LLC	14,762,425	0.95%	Ahi Glenoaks Inc.	13,800,000	1.25%
315 Partners LLC	14,086,011	0.90%	San Fernando Associates	10,380,225	0.94%
San Fernando Associates	10,471,745	0.67%	San Fernando Valley Automotive LLC	5,812,316	0.53%
San Fernando Community Housing LP	8,999,228	0.58%	Puretek Corporation	5,734,438	0.52%
San Fernando Valley Automotive LLC	8,848,522	0.57%	Barmazel Family	5,659,192	0.51%
Total Top Ten	\$ 243,406,763	15.60%	Total Top Ten	\$ 153,334,356	13.88%
Total Property Taxes	\$ 1,559,841,135		Total Property Taxes	\$ 1,104,760,901	

Data Source: L.A. County Assessor 2013/14 and 2004/05 Combined Tax Rolls and the SBE Non Unitary Tax Roll provided by HdL, Coren & Cone

City of San Fernando
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	*Collected within the Fiscal Year of Levy		*Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2005	7,862,160	8,045,587	102.33%	65,771	8,111,358	103.17%
2006	8,403,799	9,015,419	107.28%	142,693	9,158,112	108.98%
2007	9,197,054	9,901,528	107.66%	38,651	9,940,179	108.08%
2008	9,909,383	10,361,519	104.56%	196,727	10,558,246	106.55%
2009	9,661,994	10,977,764	113.62%	352,262	11,330,026	117.26%
2010	9,754,979	11,049,754	113.27%	426,417	11,476,171	117.64%
2011	9,693,186	11,146,361	114.99%	254,457	11,400,818	117.62%
2012	10,760,744	10,622,934	98.72%	253,124	10,876,058	101.07%
2013	5,612,092	4,501,185	80.21%	(89,102)	4,412,083	78.62%
2014	4,146,929	5,685,040	137.09%	(125,983)	5,559,057	134.05%

Notes:

*The collections presented include City property taxes, supplemental assessments, and Redevelopment Agency tax increment (through FY 2012), as well as amounts collected by the City and Redevelopment Agency that were passed through to other agencies.

*Supplemental assessments include voter approved indebtedness for City employee's retirement, a lighting district, penalties and interest which are not included in the Taxes levied. The collection of these supplemental assessments often cause the percent of levy to exceed 100%.

*In FY 2013, the Redevelopment Agency tax increment, and penalties and interest are not included.

Data Source: Prior Year CAFR, City Financial Information, HdL Reports

**City of San Fernando
Top 25 Sales Tax Producers
For Fiscal Year 2013 - 14**

<u>Business Name</u>	<u>Business Category</u>
Acey Decy Lighting	Repair Shop/Equip. Rentals
Arco	Service Stations
Arroyo Building Materials	Lumber/Building Materials
Casco	Contractors
El Pollo Loco	Quick Service Restaurants
El Super	Grocery Stores Liquor
Food 4 Less	Grocery Stores Liquor
Global Hvac Distributors	Contractors
Goodman Distribution	Contractors
Home Depot	Lumber/Building Materials
Honda Lease Trust	Auto Lease
IHOP	Casual Dining
Jack in the Box	Quick Service Restaurants
McDonalds	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Pep Boys	Automotive Supply Stores
Pool & Electrical Products	Plumbing/Electrical Supplies
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Sams Club	Discount Dept. Stores
Southland Lighting	Plumbing/Electrical Supplies
T Mobile	Electronics/Appliance Stores
TMB Production Supplies & Services	Electrical Equipment
Truman 76	Service Stations
Vallarta Supermarket	Grocery Stores Liquor
Warehouse Shoe Sale	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 70.40%

* Firms Listed Alphabetically

Period: April 2013 Thru March 2014

Data Source: Hinderliter, de Llamas & Associates, State Board of Equalization

City of San Fernando
Water Customers
Current Year and Nine Years Ago

Water Customer	2014		Water Customer	2005	
	Water Charges	Percent of Total Water Revenues		Water Charges	Percent of Total Water Revenues
Pharmavite Corporation	\$ 42,748	1.13%	Oh Boy! Corporation	22,459	0.85%
Pharmavite Corporation	26,525	0.70%	Puretek Corp.	22,349	0.84%
Mission Park Apartments	20,491	0.54%	Samco Scientific Corp	14,037	0.53%
MRCA	17,757	0.47%	Mission Car Wash	10,031	0.38%
Bitman, Boris Bruce	16,961	0.45%	Jin Young Coin Laundry	9,918	0.37%
LA Board of Education	16,582	0.44%	Martin & Denise Rile	9,857	0.37%
Martin & Denise Rile	16,581	0.44%	LACO - Int Service Dept.	8,252	0.31%
Wang, Pearl	13,078	0.34%	The SFVS Company LLC	7,969	0.30%
Fresenius Medical CA	12,365	0.33%	Majers, Olin	7,674	0.29%
Puretek Corp.	<u>12,300</u>	<u>0.32%</u>	K. V. Mart #19	<u>7,603</u>	<u>0.29%</u>
Total Top Ten	<u>\$ 195,389</u>	<u>5.15%</u>		<u>\$ 120,148</u>	<u>4.52%</u>
Total Water Revenue	<u>\$ 3,791,534</u>			<u>2,655,744</u>	

Source: Eden UB System (Water only)

City of San Fernando
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					Per Capita
	General Obligation Bonds	Tax Allocation Bonds ¹	Loans	Total Governmental Activities	Percentage of Personal Income	
2005	-	5,340,000	6,023,726	11,363,726	2.36%	469
2006	-	5,340,000	6,023,726	11,363,726	2.21%	471
2007	-	16,113,506	6,348,789	22,462,295	4.17%	943
2008	-	15,075,000	6,610,671	21,685,671	3.93%	917
2009	-	13,985,000	6,643,296	20,628,296	3.74%	866
2010	-	12,850,000	6,582,631	19,432,631	5.41%	821
2011	-	11,620,158	6,307,069	17,927,227	4.94%	756
2012	-	-	2,424,692	2,424,692	0.63%	102
2013	-	-	1,956,692	1,956,692	0.48%	81
2014	-	-	1,572,692	1,572,692	0.37%	65

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Personal income and Population numbers from <http://quickfacts.census.gov/qfd/states/06/0666140.html> visited 12/12/2014.

**CITY OF SAN FERNANDO
DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2014**

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt:			
CHFA Loan	612,692	100.000%	612,692
Section 108 Loan	960,000	100.000%	960,000
Total Direct Debt:			1,572,692
Overlapping Debt:			
*Metropolitan Water District	64,271,492	0.107	69,013
LA City Community College District 2003 Taxable Series 2004B	74,235,000	0.249	185,203
LA City Community College District 2001 Taxable Series 2004A	8,850,000	0.249	22,079
LACC DS Refunding 2001 Series 2005A	403,320,000	0.249	1,006,210
LA City Community College DS 2001, 2006 Series B	266,185,000	0.249	664,083
LA City Community College DS 2003, 2006 Series C	381,585,000	0.249	951,986
LACC DS 2001 2008 Series E-1	267,340,000	0.249	666,965
LACC DS 2003 2008 Series F-1	341,565,000	0.249	852,143
LACC DS 2008 2009 Taxable Series A	350,000,000	0.249	873,187
LACC DS 2008 2009 Taxable Series B	75,000,000	0.249	187,111
LACC DS 2008 2010 Tax Series D	219,889,950	0.249	548,586
LACC DS 2008 2010 Taxable Series E (BABS)	900,000,000	0.249	2,245,337
LACC DS 2008 2010 Series C	177,885,060	0.249	443,791
LA CCD DS 2013 REF BONDS	54,480,000	0.249	135,918
LA CCD DS 2008 Series G	220,000,000	0.249	548,860
Los Angeles Unif Sch Dis DS 1997 Series A	33,980,000	0.310	105,233
Los Angeles Unif Sch Dis DS 2002 Ref Bond	137,600,000	0.310	426,134
Los Angeles Unif Sch Dis DS 2004 Series C 2004	1,690,000	0.310	5,234
Los Angeles Unif Sch Dis DS 2004 Ref Bonds A-1	115,000	0.310	356
Los Angeles Unif Sch Dis DS 2004 Ref Bonds A-2	255,000	0.310	790
Los Angeles Unif Sch Dis DS 2004 Series E	23,465,000	0.310	72,669
Los Angeles Unif Sch Dis DS 2005 Ref Bonds A-1	345,980,000	0.310	1,071,467
Los Angeles Unif Sch Dis DS 2005 Ref Bonds A-2	120,925,000	0.310	374,493
Los Angeles Unif Sch Dis DS 2004 Series F	89,700,000	0.310	277,792
Los Angeles Unif Sch Dis DS 2006 Ref Series A	555,695,000	0.310	1,720,934
Los Angeles Unif Sch Dis DS 2005 Series A (2006)	144,275,000	0.310	447,005
Los Angeles Unif Sch Dis DS 2005 Series B (2006)	53,705,000	0.310	166,319
Los Angeles Unif Sch Dis DS 2005 Series C (2006)	273,925,000	0.310	848,319
Los Angeles Unif Sch Dis DS 2005 Series D (2006)	459,175,000	0.310	1,422,021
Los Angeles Unif Sch Dis DS 2006 Ref BDS Series B	1,126,445,000	0.310	3,488,491
Los Angeles Unif Sch Dis DS 2007 Ref BDS Series A-1	136,055,000	0.310	421,349
Los Angeles Unif Sch Dis DS 2007 Ref BDS Series A-2	24,650,000	0.310	76,339
Los Angeles Unif Sch Dis DS 2002 Series B (2007)	847,340,000	0.310	2,624,130
Los Angeles Unif Sch Dis DS 2007 Ref BDS Series B	47,350,000	0.310	146,638
Los Angeles Unif Sch Dis DS 2002 Series C	106,535,000	0.310	329,929
Los Angeles Unif Sch Dis DS 2004 Series H	432,865,000	0.310	1,340,541
Los Angeles Unif Sch Dis DS 2005 Series E	120,160,000	0.310	372,124
Los Angeles Unif Sch Dis DS 2005 Series H	608,995,000	0.310	1,885,999
LAUSD 2009 Refunding Measure R Bonds	55,715,000	0.310	172,544
LAUSD Measure R Series KRY BABS	200,000,000	0.310	619,381
LAUSD Measure Y 2009 Series KRY BABS	363,005,000	0.310	1,124,191
LAUSD 2009 Refunding Prop BB Bonds	399,955,000	0.310	1,238,622
LAUSD Measure R 2010 Series RY BABS	806,795,000	0.310	2,498,566
LAUSD Measure Y 2010 Series RY BABS	1,250,585,000	0.310	3,872,941
LAUSD 2010 Refunding Series A (MEASURE K)	156,000,000	0.310	483,117
LAUSD DS 2011 Refunding Bond Series A 1	1,622,200,000	0.310	5,023,796
Total Overlapping Debt:			42,057,933
Total Direct & Overlapping Debt:			\$ 43,630,625

2013/14 Assessed Valuation: \$992,056,098 after deducting \$567,785,037 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.16%
	Overlapping Debt	4.24%
	Total Debt	4.40%

Notes:

* This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

(1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds. This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non bonded capital lease obligations, and certificates of participation.

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed 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.

(3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) The total debt to assessed valuation ratio is calculated by the direct debt and overlapping debt divided by the 2013/14 Assessed Valuation.

(5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Data Source: HDL Coren & Cone, L.A. County Assessor and Auditor Combined 2013/14 Lien Date Tax Rolls.

City of San Fernando
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed valuation	1,104,760,901	1,209,030,356	1,339,513,248	1,458,563,882	1,515,160,559	1,494,474,452
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	276,190,225	302,257,589	334,878,312	364,640,971	378,790,140	373,618,613
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	41,428,534	45,338,638	50,231,747	54,696,146	56,818,521	56,042,792
Total net debt applicable to limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>41,428,534</u>	<u>45,338,638</u>	<u>50,231,747</u>	<u>54,696,146</u>	<u>56,818,521</u>	<u>56,042,792</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	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 perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Data Source: L.A. County Assessor 2012/13 Combined Tax Rolls, provided by HdL, Coren & Cone, and City Finance Department.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1,453,887,926	1,470,643,956	1,522,426,847	1,559,841,135
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
363,471,982	367,660,989	380,606,712	389,960,284
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
54,520,797	55,149,148	57,091,007	58,494,043
-	-	-	-
<u>54,520,797</u>	<u>55,149,148</u>	<u>57,091,007</u>	<u>58,494,043</u>
0.0%	0.0%	0.0%	0.0%

CITY OF SAN FERNANDO
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population ¹	Calif. Metropolitan Personal Income (in thousands) ²	Calif. Metropolitan Per Capita Personal Income ²	Unemployment Rate ³
2005	24,207	482,011,274	37,441	7.8%
2006	24,119	513,123,392	39,880	7.8%
2007	23,818	539,163,000	41,875	7.8%
2008	23,645	552,449,876	42,916	7.6%
2009	23,833	551,271,235	42,818	11.9%
2010	23,662	359,081,000	14,156	12.9%
2011	23,712	363,168,000	15,290	12.9%
2012	23,818	383,169,000	15,913	11.5%
2013	23,880	408,964,000	16,884	9.2%
2014	24,220	426,781,000	17,621	8.7%

Data Sources: ¹ US Census Bureau

² L.A.-Long Beach-Santa Ana through 2009; thereafter it is specific to the City of San Fernando)

³ US Census Bureau (data shown is for the metropolitan area of L.A.-Long Beach Santa Ana).

CITY OF SAN FERNANDO
MISCELLANEOUS AND DEMOGRAPHIC STATISTICS (continued)

Date Incorporated	August 31, 1911		
Form of Government	Council-City Manager		
Land Area	2.42 square miles		
Land Use (Estimated % of City)	Residential		43.2%
	Commercial		10.2%
	Industrial		9.7%
	Public/Institutional		7.4%
	Open space/Recreational		1.7%
	Highway and streets, rights-of-way		26.3%
	Undeveloped land		1.6%
			<u>100.0%</u>
Building Permits	<u>Calendar Year</u>	<u># Permits</u>	<u>Valuation</u>
	1995	650	4,802,623
	1996	354	5,321,998
	1997	379	6,229,912
	1998	241	5,314,484
	1999	277	6,879,355
	2000	481	8,530,618
	2001	499	11,829,627
	2002	527	5,852,529
	2003	985	9,610,033
	2004	551	10,249,858
	2005	1,390	15,845,473
	2006	1,421	13,860,435
	2007	1,137	9,549,375
	2008	1,035	15,742,359
	2009	858	9,888,598
	2010	797	8,024,919
	2011	760	7,146,062
	2012	810	19,328,819
	2013	714	11,262,235
	2014	904	17,514,200

Source : Various City Departments

**City of San Fernando
Principal Employers
Last Fiscal Year and Nine Years Ago**

	<u>2013-14</u>		<u>2004-05</u>	
<u>Business Name</u>	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Los Angeles Unified School District	1979	18.50%	0	0.00%
Pepsi Bottling Co.	284	2.65%	0	0.00%
Los Angeles County Superior Court*	277	2.59%	0	0.00%
Home Depot	237	2.21%	0	0.00%
Sam's Club	175	1.64%	0	0.00%
Puretek Corporation	170	1.59%	0	0.00%
Vallarta Supermarkets	164	1.53%	0	0.00%
Ricon Corp	145	1.36%	0	0.00%
Valley Crest Landscape Co.	119	1.11%	0	0.00%
7 Up RC Bottling	104	0.97%	0	0.00%
Total Top Ten Employers	<u>3,654</u>	<u>34.15%</u>	<u>-</u>	<u>0.00%</u>
Total City Labor Force ⁽¹⁾	<u>10,700</u>		<u>0</u>	

Note: Results based on direct correspondence with city's local businesses. Information from 9 years ago not

* Includes all employees at courthouse location

⁽¹⁾ Total City Labor Force provided by EDD Labor Force Date

Data Source: MuniServices, LLC

Disclaimer: The City of San Fernando makes no claims concerning the accuracy of data provided nor assumes any liability resulting from the use of information herein.

City of San Fernando
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government	38	37	37	36	35	50	48	59	87	105
Public safety	61	59	59	62	65	65	60	55	50	55
Public works	42	48	43	46	47	38	38	35	33	35
Community Development	<u>10</u>	<u>9</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>6</u>	<u>5</u>	<u>9</u>	<u>9</u>	<u>10</u>
Total	<u>151</u>	<u>153</u>	<u>150</u>	<u>154</u>	<u>157</u>	<u>159</u>	<u>151</u>	<u>158</u>	<u>179</u>	<u>205</u>

Note:

Increase in the General Government function in FY 2013 and 2014 is due to the inclusion of part-time aquatics staff (lifeguards, senior lifeguards, etc), who are now recruited in-house.

Source: City Personnel Records

CITY OF SAN FERNANDO
Operating Indicators by Function
Last Ten Years

Function	Calendar Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police:					
Arrests	1,432	1,377	1,571	2,471	2,721
Parking Citations Issued	15,860	15,205	16,074	19,096	16,966

* 2014 Statistics for January 1, 2014 through December 17, 2014.
Source: City of San Fernando Police Department

Calendar Year				
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>

1,933	1,424	887	683	581
16,583	14,799	13,407	10,699	8,654

City of San Fernando
Capital Asset Statistics
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	0	0	0	0	0
Public works:					
Streets (miles)	50.00	50.00	50.00	50.00	50.00
Streetlights	1,678	1,678	1,678	1,678	1,678
Traffic Signals Intersections	45	45	45	45	45
Parks and recreation:					
Parks	5	5	6	6	6
Recreation Centers	2	2	2	2	2
Water:					
Water mains (miles)	66.50	66.50	66.50	66.50	66.50
Maximum daily pumping capacity (thousands of gallons)	600	600	600	600	600
Wastewater:					
Sanitary sewers (miles)	40.00	40.00	40.00	40.00	40.00
Storm sewers (miles)	0.68	0.68	0.68	0.68	0.68

Data Source: City of San Fernando Public Works Department

Fiscal Year				
2010	2011	2012	2013	2014
1	1	1	1	1
0	0	0	0	0
50.00	50.00	50.00	50.00	50.00
1,848	1,848	1,848	1,848	1,848
45	45	45	45	45
6	6	6	6	8
2	2	2	2	2
66.50	66.50	66.88	66.88	66.88
600	600	600	600	600
40.00	40.00	40.00	40.00	40.00
0.68	0.68	0.68	0.68	0.68