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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2018

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, 2018

Prepared By:
Finance Department

City of San Fernando
Comprehensive Annual Financial Report
Year Ended June 30, 2018

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Comprehensive Annual Financial Report
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SECTION I.

Introductory Section



THE CITY OF SAN FERNANDO

CITY COUNCIL

December 20, 2018

MAYOR
JOEL FAJARDO

Honorable Mayor and City Council Members
Residents of San Fernando

VICE MAYOR
SYLVIA BALLIN

COUNCILMEMBER
ANTONIO LOPEZ

COUNCILMEMBER
ROBERT C. GONZALES

COUNCILMEMBER
HECTOR PACHECO

The Comprehensive Annual Financial Report (CAFR) of the City of San Fernando, California for the fiscal year ended June 30, 2018, 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 is to provide reasonable assurance that the financial statements of the City of San Fernando for the fiscal year ended June 30, 2018, are free of material misstatements. The independent audit involves 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 unmodified opinion that the City of San Fernando's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

FINANCE
DEPARTMENT

117 MACNEIL STREET
SAN FERNANDO
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The independent audit of the financial statements of the City is 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 conformance with provisions of the Single Audit Act Amendments of 1996 and the Uniform Guidance. 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.

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 allocations 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 Director of Finance is authorized to transfer budget amounts within salary accounts and within Maintenance and Operations accounts at his/her 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

When entering the City of San Fernando along picturesque, palm-lined Brand Boulevard, you will 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 crops, olives, wine, and thousands of livestock raised by the resident Indians were bought and sold.

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 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 economic environment within which the City of San Fernando operates.

The national and state economies have been steadily growing over the last few years, and that trend is expected to continue in the near term. In fact, during in 2018, the current economic expansion became the second longest on record. As a nation, we are experiencing record low unemployment, property values exceed pre-recession prices, and there is a nation-wide construction boom.

There is also a fair amount of uncertainty related to the impact the Trump Administration's fiscal policies will have on the economy, particularly related to tax reform, immigration and international trade. Tax reform, which consolidated tax brackets and generally lowered the effective tax rate in each bracket, has spurred some growth due to an increase in disposable income for American consumers. Conversely, the Trump Administration's stance on tariffs and international trade may ultimately increase prices domestically, offsetting gains from tax cuts.

It is unclear how the Trump Administration's policies will impact the economy. In the short-term, the economy is expected to continue slow and steady growth through 2019.

Federal Economy

According to the Bureau of Economic Analysis, Gross Domestic Product, which is a measure of output for the US economy, is expected to grow about 2.5% in 2018 and hover around 3.0% annually over the next few years. Over the last ten years, GDP growth has averaged 3.3% per year.

The national job market has remained steady as the employment rate has dipped under 4.0%, which is below what economists refer to as "full employment." Personal income has been steadily increasing while personal savings as a percentage of disposable income has been declining since it peaked at 11% in December 2012. Personal savings is currently 3.1%.

Low unemployment, increasing personal income and a decreasing personal savings rate are indicators that consumers feel secure in their job; resulting in spending more of their disposable income. This is important in the United States' consumer driven economy. However, the Federal Reserve Bank has held the federal funds rate at historic lows (i.e. less than 2%) for almost 10 years and is expected to gradually increase rates over the next few quarters to relieve inflationary pressures.

State Economy

Quality of life in California is among the highest in the world as affirmed by its pre-eminence as a tourism destination and continued attractiveness for high-income migrants. California's economy has also been steadily improving, although there are a number of factors that may dampen economic growth in the near term. With California hitting its lowest unemployment rate since 1976, wage gains in the state have been on the rise. Average weekly wages in California increased by 4.3% in 2017, which was the largest increase in 10 years. The unemployment rate is expected to remain low and wages are expected to continue to increase with steady job growth and limited increases in the labor force. The state has also enacted legislation to increase minimum wage to \$15 per hour by 2022. It is too soon to gauge the effects of this increase as wage increases are currently being driven by scarcity of labor.

The most significant long term economic challenge for California is the scarcity and affordability of housing. Despite wage gains, housing is becoming less and less affordable. It is estimated that, for California alone, 200,000 new housing units are needed each year to meet demand, yet over the last few years, only 100,000 new units have been built each year. Construction activity is expected to increase moderately, but will likely still fall short. The state is likely to continue to impose legislation on local jurisdictions (similar to SB 35) to allow construction of new housing units.

The passage of Proposition 64 legalizing the adult use of recreational marijuana is expected to generate significant on-going tax revenues for the state. After an expected influx of tax dollars in 2018 and 2019, cannabis revenues will most likely level out after 2020 as the market normalizes.

Overall, the California economy is expected to remain strong through 2020. Beyond that, federal economic policies may begin to have a significant impact on the state economy.

Local Economy

Locally, sales and property taxes have demonstrated a consistent pattern of growth over the last ten years. The decision by Sam's Club to close the San Fernando location had a significant impact upon local tax revenue as it was one of the City's top 5 revenue generating businesses. Staff is actively working with the property owner and the retail community to identify a new tenant for the site. However, it is expected that space will likely remain vacant through FY 2018-2019.

Median single family residential sales price in San Fernando has hovered around \$450,000 over the last year, which is up from \$318,000 four years ago. The median price for Los Angeles County is \$570,000. According to the Southland Association of Realtors, home prices in the region reached an all-time high in 2017, while the available inventory of homes for sale remains low.

Despite the closure of Sam's Club, staff is bullish on the state of the local economy over the next few years. In December 2017, City Council adopted Specific Plan No. 5 to streamline the development review process and facilitate new development in the downtown area and the Metro Board has approved the East San Fernando Valley Transit Corridor light rail project that will connect San Fernando to the Orange Line. New businesses, including CVS and Truman House Tavern should help energize a resurgence in the San Fernando Mall area and a number of interested developers have approached the City with new development opportunities.

Major General Fund Revenue

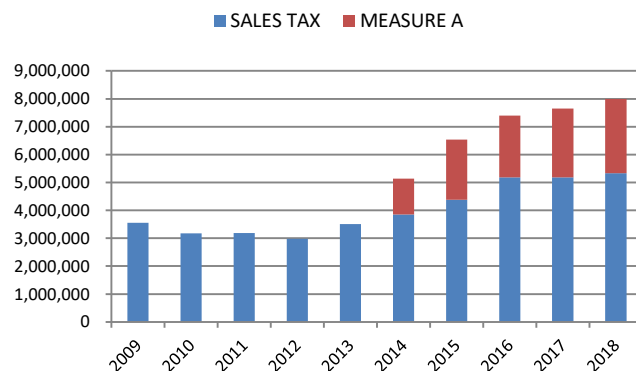
The City's major sources of General Fund revenue include Sales & Transaction Tax, Charges for Services, Property Tax in Lieu of Motor Vehicle Tax, Property Tax, and Admissions Tax.

Sales & Transaction Tax

Retail sales and transaction tax is the City's largest revenue, accounting for approximately 40% of total General Fund revenues in FY 2017-2018. 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 have been imperative to the City's short-term viability. In November 2018, voters approved extending the transaction tax indefinitely, which is crucial for the City's long-term financial health.

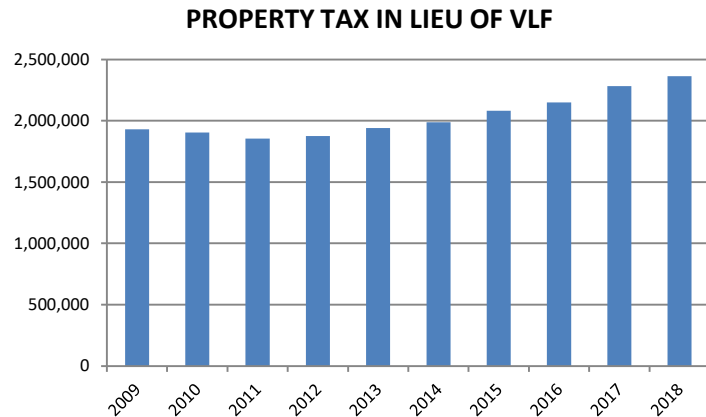
SALES & TRANSACTION TAX



Sales Tax revenue is estimated to decrease by 5% in FY 2018-2019 primarily resulting from the loss of Sam's Club. Long-term revenue projections include a slowing of revenue growth beginning in 2020, to account for potential economic slow-down in the near future.

Property Tax In-Lieu of Motor Vehicle License Fee

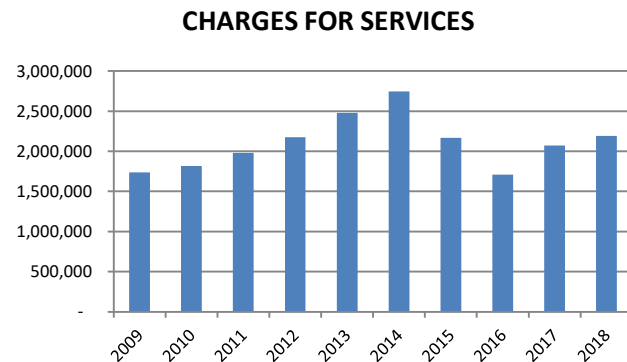
Prior to 2004, cities in California received a share of the state's Motor Vehicle License Fee (VLF), which is a fee imposed on motor vehicles based on the original sale price of the vehicle. In 2004, the state shifted revenues from the Motor Vehicle License Fee to fund other programs. To make cities 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 second largest revenue as it accounted for almost 12% of General Fund revenues in FY 2017-2018. 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. Assessed value increases are projected to increase approximately 4%. Consequently, Property Tax In-lieu of VLF is conservatively projected to increase approximately 4% in FY 2018-2019.

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, film and special event permits, 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 third largest revenues source and accounted for 11% of total General Fund revenues in FY 2017-2018.

In FY 2012-2013 and FY 2013-2014, there was a large infrastructure upgrade by Southern California Edison, which resulted in approximately \$300,000 in one-time permit revenue. Charges for Services are projected to decrease 2% in FY 2018-2019. Although fees related to development and police services are projected to remain flat, the updated cost allocation plan to apportion administrative costs calculates a reduction of 2% in charges to other funds.

Property Tax

Property tax, accounting for almost 11% of General Fund revenue in FY 2017-2018, 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.

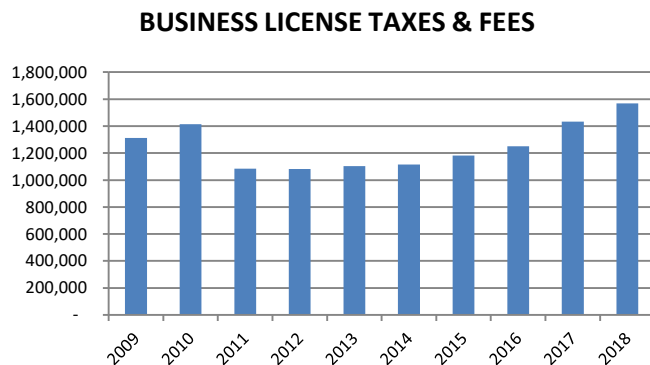


Assessed property values are steadily rebounding since they bottomed out in FY 2010-2011. Additionally, the elimination of redevelopment agencies and tax increment by the State has resulted in additional property tax for the City, which accounts for the large increases in FY 2012-2013 and FY 2013-2014. As the former San Fernando Redevelopment Agency winds down and retires debt, the City will continue to receive additional Property Tax revenue.

Although Proposition 13 limits the annual increase of Assessed Values to 2%, strong local investment and property turnover are expected to drive an increase in Property Tax of approximately 5% in FY 2018-2019.

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, accounting for 7.5% of General Fund revenues in FY 2017-2018.



Business License revenue is also very sensitive to economic conditions and decreased by more than 25% from FY 2009-2010 to FY 2010-2011. Reductions over the last few years have necessitated directing staff resources away from Business License compliance efforts, further compounding the reduction in revenue.

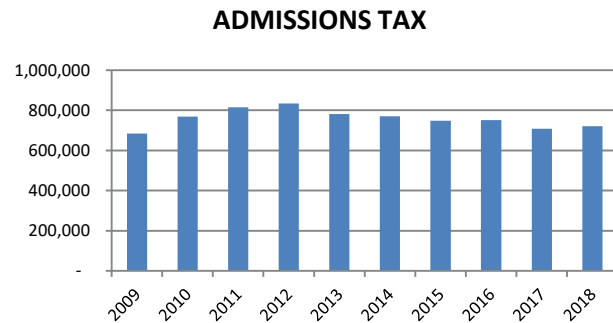
In FY 2015-2016, the City partnered with a private firm to provide full Business License Administration services. In FY 2016-2017, the City offered an amnesty program to waive late penalties for delinquent businesses that became current between January 2017 and June 2017.

That program generated over \$100,000 in one-time Business License revenue as business owners paid prior year taxes. Due to the increased contract resources dedicated to Business License operations and a successful amnesty program, Business Tax revenues increased by almost 6% from FY 2015-2016.

After adjusting for the one-time revenues received in FY 2016-2017 from the amnesty program and increased compliance activity in FY 2017-2018, Business License Taxes and Fees are conservatively projected to remain relatively flat in FY 2018-2019.

Admissions Tax

San Fernando imposes a tax on each person who pays an admission fee, commonly known as an Admissions Tax. The tax is collected by the operator at the time admission is paid. Admissions Tax revenue is the City's sixth largest revenue source, accounting for almost 4% of General Fund revenues in FY 2017-2018.



The primary driver for Admissions Tax revenues is the City's Swap Meet. Swap Meet vendors sell new and used goods, typically at deeply discounted prices. Similar to other discount retailers, attendance at the Swap Meet has proven to be anti-cyclical in that, when the economy is depressed, the demand for discount goods increases and as the economy improves, the demand for discount goods declines.

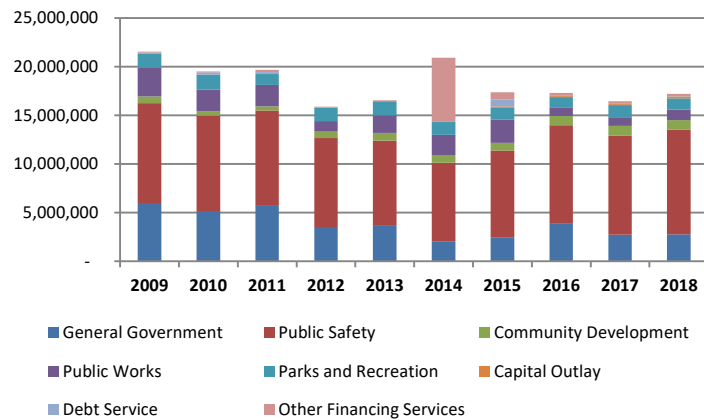
Consumers' anti-cyclical behavior is apparent with an increase in attendance, and consequently Admission Tax revenues, during and following the Great Recession. As the economy has steadily improved over the last few years, attendance, and consequently Admission Tax Revenues, has steadily declined. Therefore, staff has projected Admission Tax revenue remain flat in FY 2018-2019.

General Fund Expenditures

Since fiscal year 2008-2009, total General Fund expenditures have decreased by more than 23% as the City has had to make drastic cuts to align on-going expenses with lower on-going revenues.

Excluding Capital Outlay, Debt Service and Transfers Out, General Fund departmental expenditures increased by 2% from FY 2016-2017. The increase from the prior year is due primarily to increased labor costs and filling vacant positions, including multiple department head and police officer positions.

**General Fund
Statement of Expenditures**



Public Safety (including the Fire Service contract with City of Los Angeles) expenditures accounted for 63% of General Fund expenditures in FY 2017-2018, an increase of 1% from the prior year. The savings realized from vacant Police Officer positions were offset by additional overtime and an increase of approximately 2% in the Fire Services contract with LAFD.

There were no significant changes in expenditures for the General Government and Community Development expenditures from FY 2016-2017 to FY 2017-2018.

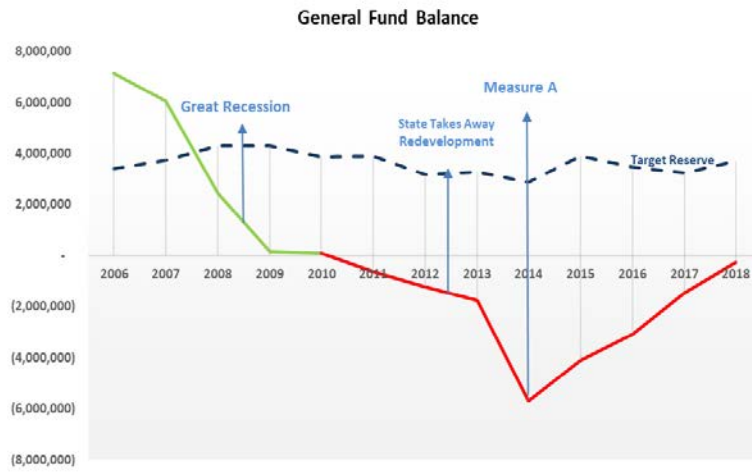
Public Works expenditures increased by 23% from FY 2016-2017. Most of the increase is due to filling vacant positions (Director of Public Works/City Engineer, Public Works Supervisor and Public Works Maintenance Workers) and increased capital project activity throughout the City.

Parks and Recreation expenditures decreased by 9% due to a number of vacant positions, including the Director of Parks, Recreation and Community Services.

Despite the reductions and concessions that have already been implemented, San Fernando, like many cities through the State, continues to face increasing pension and healthcare costs for both active and retired employees. The City took an important step to restructuring benefits to create a more sustainable benefit package by working with employee groups to eliminate supplemental retiree healthcare benefits for employees hired after July 1, 2015 and converting some active employees to a cafeteria style health plan. The City will continue to work with labor groups to identify opportunities to equitably contain long-term benefit costs.

Long Term Financial Planning

The City's General Fund has been in a deficit fund balance position since FY 2010-2011. The City took a number of steps to stabilize ongoing finances, including re-negotiating labor contracts, reducing programs and services, reducing professional development and membership opportunities for City staff, implementing layoffs and furloughs, and freezing vacant positions. Many of these were short-term fixes that were necessary to remain solvent; however, continuing these cuts is not sustainable in the long-term.



In FY 2013-2014, the City Council began the development and implementation of a multi-year Deficit Elimination Plan. Put simply, the Deficit Elimination Plan aims to pay off debt, reduce ongoing expenditures and increase ongoing revenue. In 2013, the City declared a fiscal emergency and held a special election for a temporary one-half (½) cent local transaction and use tax, which was approved by sixty percent (60%) of voters. This local transaction tax, also referred to as “Measure A,” was originally set to sunset in October 2020. In November 2018, voters overwhelmingly (69%) approved extending the local transaction tax indefinitely.

The local transaction tax, originally projected to raise less than \$2 million per year, has generated close to \$2.5 million per year in additional general tax revenue and is necessary to fund a number of critical one-time needs. To date, the local transaction tax revenue has been used to fund non-recurring expenditures, including, but not limited to: 1) establishing General Fund, Self-Insurance, Equipment Replacement, and Facility Maintenance fund reserves, 2) paying off existing debt, 3) eliminating recurring deficit fund balances in Grant and other Special Revenue funds, 4) increasing public safety by replacing outdated vehicles and equipment, 5) replacing and updating outdated computer hardware, software and telecommunications systems, and 6) funding capital projects to reduce the City's deferred maintenance backlog.

In addition to short-term actions identified above, the City has taken a number of longer-term actions since the passage of Measure A to address the City's deficit and improve long-term financial stability, including:

- Renegotiated the Fire and Emergency Services contract with the Los Angeles Fire Department to reduce the City's ongoing annual cost without reducing service (saved more than \$500,000/year).

- Transferred operational and financial responsibility of the San Fernando Regional Pool to the County of Los Angeles through a lease of up to 55 years (saved more than \$500,000/year).
- Reduced retiree health benefits to the statutory minimum for new employees to decrease the City's retiree health (OPEB) liability (significant long-term savings).
- Sold surplus land and used the land sale proceeds to reduce the General Fund deficit (generated \$1 million in proceeds).
- Developed a five-year General Fund projection to improve long-term decision making.
- Adopted a Development Agreement Ordinance to provide additional tools to increase economic development efforts and diversify the tax base.
- Re-established reserves for the Self-Insurance and Equipment Replacement Funds (more than \$1 million in reserve to protect against large lawsuits).
- Updated user fees, development fees, and cost allocation calculations to ensure an appropriate cost recovery for City services (more than \$500,000/year in projected ongoing revenue).
- Updated the City's long term financial planning policies, including budget, purchasing, debt management, grant management, investment, and reserve policies, with an emphasis on creating long term fiscal sustainability.

To continue implementation of the deficit reduction plan in FY 2018-2019, the Adopted Budget includes the following:

- Continue to pay down General Fund debt to the Retirement Fund and Enterprise Funds.
- Upgrades to security and functionality of the City's network backbone and software systems, including permitting software upgrades that will allow customers to apply, pay, and receive certain permits online.
- Investment in staff training and education to maximize utilization of existing staff resources.
- A General Fund budget surplus of \$175,000 to further reduce the deficit fund balance.

Despite the progress that has been made since 2013, the City will need to continue to work to establish a reserve fund balance and develop strategies to fund key long-term liabilities, including retiree health and pension costs.

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.

Honorable Mayor and City Council Members
Residents of San Fernando
December 20, 2018

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, 2017. This was the 33rd 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. The City believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for the 2018 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 Senior Accountant Sonia Garcia. 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. 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
Deputy City Manager/Director of Finance

DIRECTORY OF OFFICIALS

FISCAL YEAR 2017-2018

ELECTED OFFICIALS

CITY COUNCIL

MAYOR

SYLVIA BALLIN

VICE MAYOR

ANTONIO LOPEZ

COUNCILMEMBERS

JOEL FAJARDO

ROBERT C. GONZALES

JAIME SOTO

CITY TREASURER

MARGARITA SOLIS

EXECUTIVE MANAGEMENT

INTERIM CITY MANAGER

NICK KIMBALL

DEPUTY CITY MANAGER/
DIRECTOR OF PUBLIC WORKS

VACANT

CHIEF OF POLICE

ANTHONY VAIRO

DIRECTOR OF COMMUNITY DEVELOPMENT

VACANT

INTERIM DIRECTOR OF FINANCE

SONIA GOMEZ-GARCIA

DIRECTOR OF RECREATION AND
COMMUNITY SERVICES

VACANT

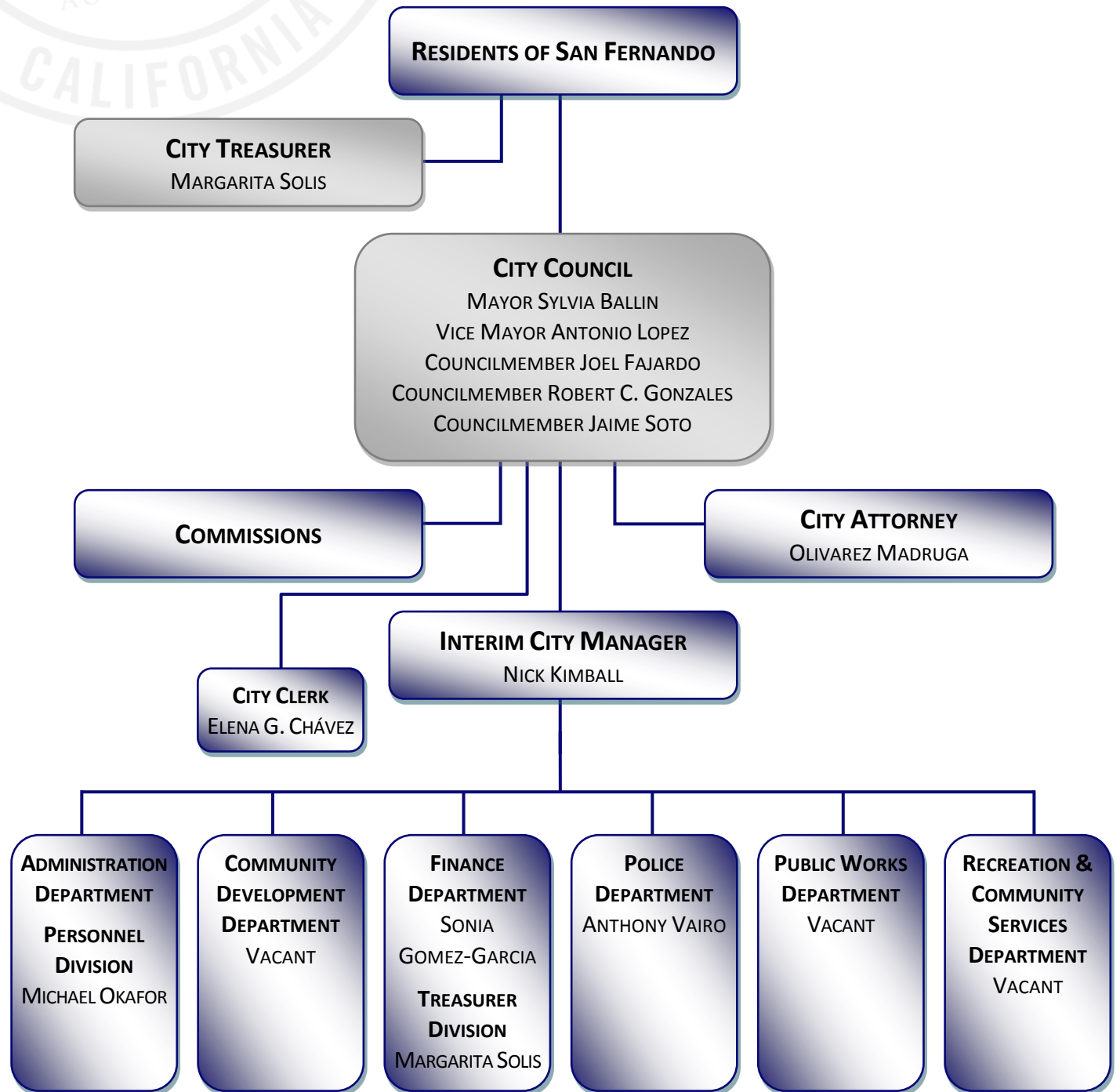
CITY CLERK

ELENA G. CHÁVEZ

THE CITY OF SAN FERNANDO

ORGANIZATIONAL CHART

FISCAL YEAR 2017-2018



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, 2017

Christopher P. Morrell

Executive Director/CEO

SECTION II.

Financial Section

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, 2018, 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, 2018, 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.

Change in Accounting Principle

As described in Note 8 to the financial statements, the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of June 30, 2018. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 10 to the financial statements, as of June 30, 2018, the City is reporting significant deficits in unrestricted net position for Governmental Activities and Business-type Activities, and also the internal service funds. In addition, the City's obligation for other post-employment benefits has increased to approximately \$42.8 million as of June 30, 2018 (see Note 8), while the Net Pension Liability has increased to approximately \$40.5 million. Management's plans regarding these matters are described in Note 10. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information 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 20, 2018 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 20, 2018

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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, 2018. 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 - xii, and the City's financial statements beginning on page 21.

FINANCIAL HIGHLIGHTS

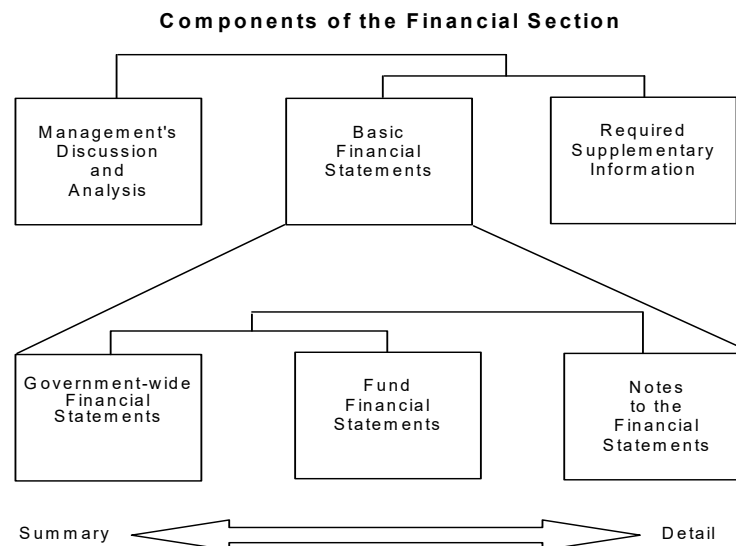
The following are some key financial highlights for the fiscal year ending June 30, 2018:

- ↓ The City's total net position decreased from \$32,064,934 as of June 30, 2017 to \$4,760,598 as of June 30, 2018 for a total decrease of \$27,304,336, or 85.2%. Additional information on the decrease in net position is discussed in more detail in the Government-wide Financial Analysis beginning on page 7.
- ↓ The City's total unrestricted net position decreased from (\$29,300,905) at June 30, 2017 to (\$69,556,412) at June 30, 2018 for a total decrease in unrestricted net position of \$40,255,507, or 137.4%.
- ↑ The City's total fund balances for governmental funds increased from \$15,772,535 as of June 30, 2017 to \$17,422,636 as of June 30, 2018 for a total increase of \$1,650,101, or 10.5%.
- ↑ The total fund balance for the General Fund increased from (\$1,475,089) as of June 30, 2017 to (\$208,253) as of June 30, 2018 for a total deficit reduction of \$1,266,836, or 86%. Fund balance is classified per GASB Statement No. 54 as Nonspendable: \$66,308, Restricted: \$ -, and Unassigned: (\$274,561). Additional information on the fund balances is located in Note 1.
- ↑ The combined fund balance for the City's other governmental funds, excluding the General Fund, increased from \$17,247,624 as of June 30, 2017 to \$17,630,889 as of June 30, 2018 for a total increase of \$383,265, or 2.2%.

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 and Compressed Natural Gas (CNG) fueling station.

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 the City (known as the primary government) and the San Fernando Public Financing Authority, which is a legally separate entity. The City is financially accountable for this entity and financial information for this blended component unit is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 21 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, or 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.

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 27 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, Retirement Tax Fund, Housing Fund, Measure R Fund and Capital Grants Fund. Data from the other 22 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 currently uses enterprise funds to account for the following activities: 1) water operations, 2) wastewater operations, 3) compressed natural gas (CNG) fueling station operations, and 4) refuse operations (inactive).
- *Internal Service funds* are used by the City to account for its intra-city services. The City currently uses three internal service funds: 1) Equipment Maintenance and Replacement Fund, 2) Facility Maintenance Fund and 3) Self Insurance 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 31 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.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Fund Financial Statements (cont.)

The City uses fiduciary funds to account for the activities of the Successor Agency to the San Fernando Redevelopment 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 36 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 65 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 76 of this report.

Government-wide Financial Analysis

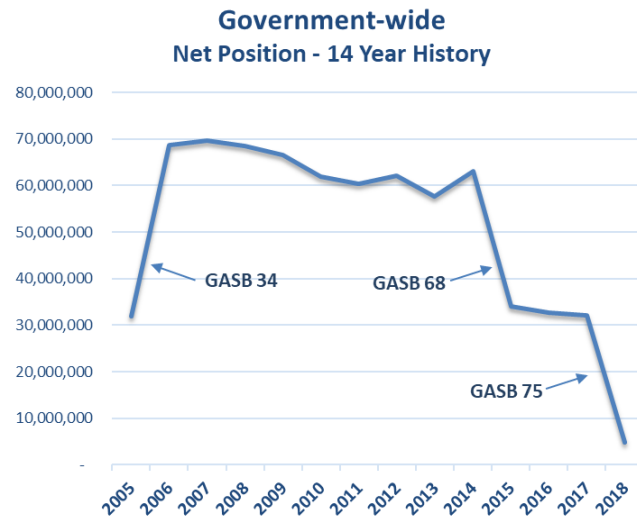
Statement of Net Position

Over time, net position may serve as a useful indicator of the City's financial position. As the chart shows, the City's net position has been volatile over the last 14 years and has been significantly impacted by a number of changes to financial reporting guidelines implemented by GASB. In fiscal year 2017-2018, the City's net position decreased from \$32,064,934 as of June 30, 2017 to \$4,760,598 as of June 30, 2018 for a total decrease of \$27,304,336, or (85.2%).

The dramatic decrease in net position is the result of implementation of a new reporting requirement by the Government Accounting Standards Board, Statement No. 75 (GASB 75). GASB 75 requires governments providing postemployment benefits (i.e. retirement benefits) other than pensions to comprehensively measure the cost of those other postemployment benefits (OPEB) and recognize long-term cost of those obligations as a liability. As a result of the reporting requirements set forth in GASB 75, the City's total OPEB liability reported on the financial statements increased by \$36,350,710. Additional information related to the City's pension benefits/liability and OPEB benefits/liability can be found in Notes 7 and 8, respectively.

Total assets increased by \$3,420,372, due primarily to increased Cash and Investments in the General Fund and Retirement Fund. The increase in cash in the General Fund is a result of continued implementation of the Deficit Reduction Plan and the increase in the Retirement Fund is a result of the City accumulating funds to offset increasing future retirement liabilities.

The increase in assets was offset by an increase in liabilities of \$30,551,943 due to significant increases in the City's long-term liabilities; specifically, net pension obligation and OPEB for retiree healthcare. Additional information related to the City's pension benefits/liability and OPEB benefits/liability can be found in Notes 7 and 8, respectively.



CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Government-wide Financial Analysis (cont.)

The largest portion of the City's net position, \$56,318,379, 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, \$17,998,631, 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, 2018, the City is reporting positive net positions balances in only two categories: 1) Net Investment in Capital Assets, and 2) Restricted; the City's governmental activities unrestricted net position reflects a deficit of (\$69,556,412). This large deficit is the result of long-term liabilities, most notably, pension and OPEB liabilities as detailed in Notes 6, 7 and 8.

The following table summarizes the Statement of Net Position for Governmental and Business-Type Activities for the fiscal year ended June 30, 2018, with comparative totals for the fiscal year ended June 30, 2017.

Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 22,293,442	\$ 20,141,756	\$ 10,329,826	\$ 9,776,679	\$ 32,623,268	\$ 29,918,435
Capital assets	44,999,017	43,847,534	14,079,295	14,515,239	59,078,312	58,362,773
Total assets	67,292,459	63,989,290	24,409,121	24,291,918	91,701,580	88,281,208
Deferred Outflows of Resources:						
Deferred Retirement Contributions	9,039,368	6,158,372	1,937,777	1,739,677	10,977,145	7,898,049
Total Deferred Outflows	9,039,368	6,158,372	1,937,777	1,739,677	10,977,145	7,898,049
Liabilities:						
Current and other liabilities	3,781,534	3,457,874	495,482	627,407	4,277,016	4,085,281
Long-term liabilities	74,997,045	51,763,039	14,163,536	7,037,334	89,160,581	58,800,373
Total liabilities	78,778,579	55,220,913	14,659,018	7,664,741	93,437,597	62,885,654
Deferred Inflows of Resources:						
Actuarial Adjustments-Retirement	3,780,819	1,016,140	699,711	212,529	4,480,530	1,228,669
Total Deferred Inflows	3,780,819	1,016,140	699,711	212,529	4,480,530	1,228,669
Net position:						
Net Investment in Capital Assets	42,239,084	41,001,890	14,079,295	14,515,239	56,318,379	55,517,129
Restricted	17,998,631	5,848,710	-	-	17,998,631	5,848,710
Unrestricted	(66,465,286)	(32,939,991)	(3,091,126)	3,639,086	(69,556,412)	(29,300,905)
Total net position	\$ (6,227,571)	\$ 13,910,609	\$ 10,988,169	\$ 18,154,325	\$ 4,760,598	\$ 32,064,934

Government-wide Financial Analysis (cont.)

Statement of Activities

As previously discussed, 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, 2018, in relation to a year earlier.

The City's total net position decreased from \$32,064,934 as of June 30, 2017 to \$4,760,598 as of June 30, 2018 for a total decrease of \$27,304,336, or 85.2%. Key elements of this decrease are as follows:

- ❖ Net position of governmental activities decreased from \$13,910,609 as of June 30, 2017 to (\$6,227,571) as of June 30, 2018; a total decrease of \$20,138,180, or 144.8%. The decrease is due to a prior period adjustment of (\$22,131,395) to record the long-term OPEB liability per GASB 75 (Note 12).
- ❖ Net position of business-type activities decreased from \$18,154,325 as of June 30, 2017 to \$10,988,169 as of June 30, 2018; a total decrease of \$7,166,156, or 39.5%. As is the case with governmental activities, the decrease is due to a prior period adjustment of (\$7,078,207) to record the long-term OPEB liability per GASB 75 (Note 12).

The table on the following page summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2018, with comparative totals for the fiscal year ended June 30, 2017.

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Summary of Activities						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenues						
Charges for services	\$ 3,108,424	\$ 3,112,939	\$ 7,931,856	\$ 7,655,177	\$ 11,040,280	\$ 10,768,116
Operating grants and contributions	3,032,809	2,272,862	-	-	3,032,809	2,272,862
Capital grants and contributions	1,910,721	1,732,169	-	-	1,910,721	1,732,169
General revenues						
Taxes	19,620,350	19,249,260	-	-	19,620,350	19,249,260
Investment earnings and other	314,528	150,834	39,486	30,788	354,014	181,622
Total revenue	27,986,832	26,518,064	7,971,342	7,685,965	35,958,174	34,204,029
Expenses						
General government	5,003,034	4,769,539	-	-	5,003,034	4,769,539
Public safety	13,046,118	13,881,037	-	-	13,046,118	13,881,037
Community development	1,275,585	1,349,334	-	-	1,275,585	1,349,334
Public works	4,966,748	5,306,102	-	-	4,966,748	5,306,102
Parks and recreation	1,735,878	1,926,959	-	-	1,735,878	1,926,959
Capital Outlay	-	-	-	-	-	-
Interest and fiscal charges	128,661	120,506	-	-	128,661	120,506
Water operations	-	-	3,389,704	3,692,438	3,389,704	3,692,438
Sewer operations	-	-	4,458,457	3,651,883	4,458,457	3,651,883
CNG operations	-	-	42,825	-	42,825	-
Refuse operations	-	-	5,898	92,446	5,898	92,446
Total expenses	26,156,024	27,353,477	7,896,884	7,436,767	34,052,908	34,790,244
Transfers (out)	162,407	180,000	(162,407)	(180,000)	-	-
Prior Period Adjustments	(22,131,395)	3,912,714	(7,078,207)	(3,912,714)	(29,209,602)	-
Increase(decrease) in net position	(20,138,180)	3,257,301	(7,166,156)	(3,843,516)	(27,304,336)	(586,215)
Net position – beginning	13,910,609	10,653,308	18,154,325	21,997,841	32,064,934	32,651,149
Net position – ending	\$ (6,227,571)	\$ 13,910,609	\$ 10,988,169	\$ 18,154,325	\$ 4,760,598	\$ 32,064,934

Governmental Activities

The City's net position from governmental activities decreased from \$13,910,609 as of June 30, 2017 to (\$6,227,571) as of June 30, 2017; a total decrease of \$20,138,180, or 144.8%. The decrease is due to a prior period adjustment of (\$22,131,395) to record the long-term OPEB liability per GASB 75 (Note 12).

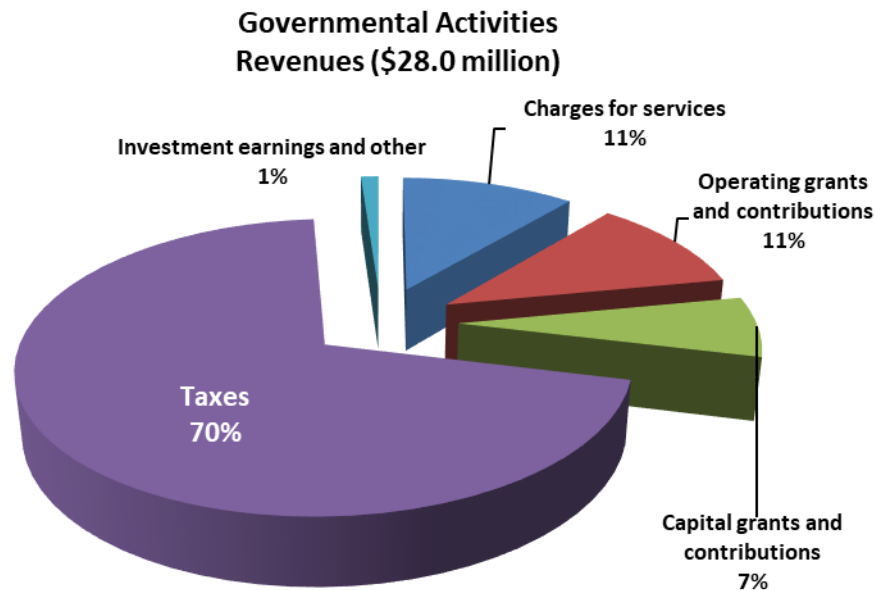
Government-wide Financial Analysis (cont.)

Revenue Highlights

Total governmental activities revenues were \$27,986,832; an increase of \$1,468,768, or 5.5%, from 2017. The largest component of governmental activities' revenue are taxes, which generate \$19,620,350, making up 70% of total governmental activities' revenues. This is consistent with the nature and purpose of governmental funds, particularly the General Fund, where programs are largely supported by general taxes. The highest tax revenues received by the General Fund include Property Tax (\$9.0 million), Sales Tax (\$8.0 million), and business license tax (\$1.6 million). Some key changes in revenues include:

- Property and sales tax revenues both experienced nominal increases, 1.1% and 0.9% respectively, compared to the prior year. Both of these revenue sources are economically sensitive, which may signal a slowing in overall economic activity from the prior year.
- Business licenses tax revenues increased by more than \$146,000 (9.8%) compared to the prior year. In 2016, the City enhanced the amount of resources dedicated to the business license program by partnering with a private entity to manage the program and approved a 6-month amnesty program to waive penalties for delinquent business license accounts that self-reported past due income. Since implementing changes to the program, the City has experienced steady growth in business license compliance and revenue.

The governmental activities pie chart below illustrates operating revenues by source (excluding transfers). 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 71% of total governmental revenue. Charges for services make up 11% of revenues while operating and capital grants and contributions amount to 18% of total governmental revenues.

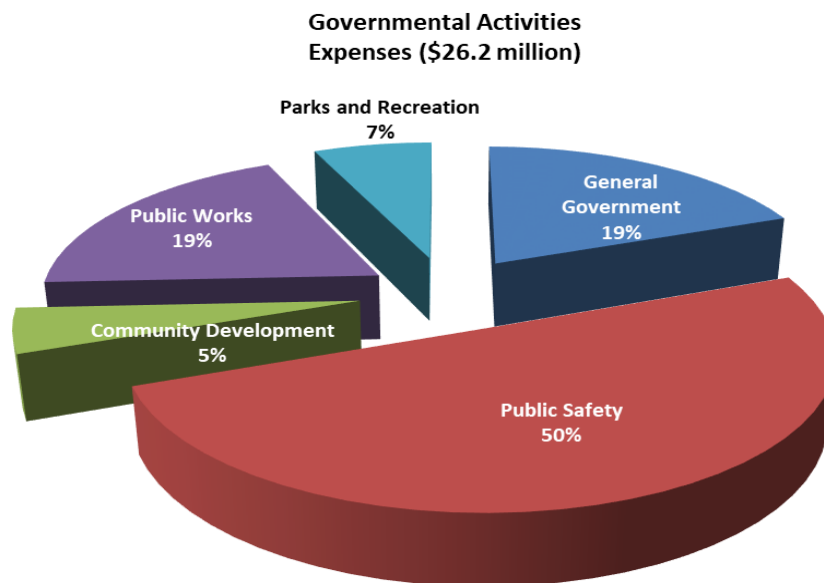


Governmental Activities (cont.)

Expense Highlights

Functional expenses for fiscal year 2017-2018 governmental activities totaled \$26,156,024, a decrease of \$1,197,453 from the prior year. Public Safety activities, consisting of the San Fernando Police Department and Fire Services contract with the Los Angeles Fire Department, accounted for approximately \$13.0 million (50%) and Public Works activities accounted for approximately \$5.0 million (19%) of the total expenses in the governmental funds. General Government expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources, and City Attorney contract) also accounted for approximately \$5.0 million (19%) of total expenses. Community Development (\$1.3 million) and Recreation and Community Services (\$1.7 million) account for the remaining 12% of expenses.

Overall, expenditures decreased due to a number of staff vacancies, including three department heads, four police officers, and a number of public works maintenance worker positions. Many of those key vacancies were filled during the fiscal year in an effort to increase service to the community.



Business-Type Activities

The net position of business-type activities decreased from \$18,154,325 as of June 30, 2017 to \$10,988,168 as of June 30, 2018; a total decrease of \$7,166,156, or 39.5%. As is the case with governmental activities, the decrease is due to a prior period adjustment of (\$7,078,207) to record the long-term OPEB liability per GASB 75 (Note 12).

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 Summary of Activities chart presented on page 12 shows a comparison of program revenues to expenses to prior year for each of the City's business-type activities.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

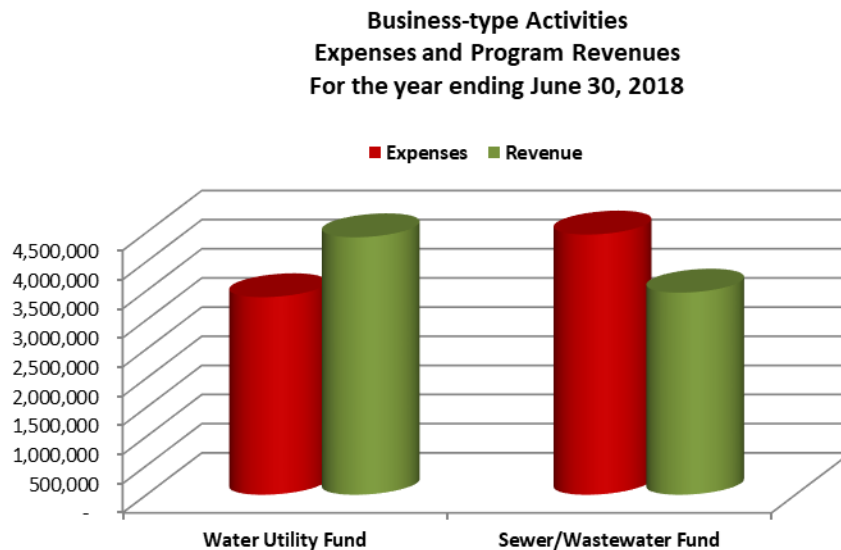
Business-Type Activities (cont.)

Revenue Highlights

Total program revenues for the fiscal year ended June 30, 2018 were approximately \$7.9 million; an increase of \$276,679, or 3.6%, from 2017. California received a significant amount of rain during the 2016 and 2017 rainy seasons, which caused the state to relax conservation efforts. Consequently, residents used more water in fiscal year 2017-2018.

Expense Highlights

Total expenses for the fiscal year ended June 30, 2018 were approximately \$7.9 million; an increase of \$460,116, or 6.2%, from 2017. The City's water and wastewater (sewer) infrastructure is aging and many sections are in need of replacement. The increase in expenditures is related to a number of significant emergency capital expenditures to repair multiple collapsed sewer main lines.



GOVERNMENTAL 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.

The combined ending fund balances in the City's governmental funds increased from \$15,772,535 as of June 30, 2017 to \$17,422,636 as of June 30, 2018; a total increase of \$1,650,101, or 10.5%. The City's governmental funds report an *unassigned fund balance* deficit of (\$1,034,038), which is a \$988,138 decrease in the deficit from June 30, 2017.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS (cont.)

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) \$3,600 for prepaid items;
- 2) \$64,604 for advances to other funds; and
- 3) \$18,388,470 restricted for transportation, housing, air pollution, parks and recreation, public safety and retirement.

**Summary of Governmental Funds
Balance Sheet**

	2018	2017
Assets:		
Cash and Investments	\$ 10,938,130	\$ 9,472,378
Other assets	14,302,018	14,102,251
Total assets	<u>25,240,148</u>	<u>23,574,629</u>
Liabilities:		
Accounts Payable	1,336,432	1,277,874
Other liabilities	5,708,490	5,765,261
Total liabilities	<u>7,044,922</u>	<u>7,043,135</u>
Total deferred Inflows of Resources	<u>772,590</u>	<u>758,959</u>
Fund balances:		
Nonspendable	68,204	66,703
Restricted	18,388,470	17,728,008
Unassigned	<u>(1,034,038)</u>	<u>(2,022,176)</u>
Total fund balances	<u>\$ 17,422,636</u>	<u>\$ 15,772,535</u>

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

General Fund. The General Fund is the chief operating fund of the City. The General Fund's deficit fund balance decreased from (\$1,475,089) as of June 30, 2017 to (\$208,253) as of June 30, 2018. The City continues to take steps to implement the deficit elimination plan (see Note 10) to eliminate the General Fund deficit by fiscal year 2019-2020.

Retirement Tax Fund. The Retirement Tax Fund is a special revenue fund used to account for the City's special property tax levy that is restricted to pay City employees' pension obligation to CalPERS. The fund balance increased from a \$9,497,300 as of June 30, 2017 to \$10,517,651 as of June 30, 2018; a total increase of \$1,020,351, or 10.7%. Assets in the Retirement Tax fund are restricted to pay the City's long-term pension obligation to CalPERS.

Housing Fund. The Housing Fund is a special revenue fund used to account for the City's moderate to low income housing activity. The fund balance increased from \$3,257,504 as of June 30, 2017 to \$3,287,492 as of June 30, 2018 due to investment earnings and repayment of outstanding housing loans. Assets in the Housing fund are restricted to low/moderate income housing related activities.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS (cont.)

Measure R Fund. The Measure R Fund is a special revenue fund used to account for the City's Measure R Local Return funds from the countywide sales tax. The fund balance decreased from \$3,316,392 as of June 30, 2017 to \$2,595,859 as of June 30, 2018. In fiscal year 2015-2016, the City issued approximately \$2.7 million in Certificates of Participation to finance a number of eligible street projects. The City will continue to spend down those funds in the coming years on a number of planned street resurfacing projects. Assets in the Measure R fund are restricted for transportation and street related activities.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

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 decreased from \$18,154,325 as of June 30, 2017 to \$10,988,169 as of June 30, 2018; a total decrease of \$7,166,156, or 39.5%. As is the case with governmental activities, the decrease is due to a prior period adjustment of (\$7,078,207) to record the long-term OPEB liability per GASB 75 (Note 12).

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. Services provided by internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements. The City uses internal service funds to account for facility maintenance, vehicle maintenance and replacement, and insurance premiums and claims costs. The total net position of the internal service funds increased from (\$2,947,421) as of June 30, 2017 to (\$1,286,288) as of June 30, 2018; a total increase of \$1,661,133, or 56.3%. The increase in net position is primarily due to a decrease in future liability of claims payable for unresolved liability and workers' compensation claims. The City will continue to accumulate assets to further offset the claims liability and reduce the deficit.

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. Actual General Fund revenues were \$17,989,576 in fiscal year 2017-18, compared to the \$17,508,102 final budget; a difference of \$481,474, or 2.7%. The difference is predominately due to additional business license tax revenue resulting from program enhancements, additional residual property tax received from the dissolution of the former redevelopment agency, and an overall improvement in the economy.

Summary of General Fund Revenues

**Budget and Actual
June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,917,500	\$ 12,917,500	\$ 13,436,220	\$ 518,720
Licenses and Permits	273,500	273,500	279,620	6,120
Charges for Services	839,000	839,000	893,317	54,317
Fines and Forfeitures	513,800	513,800	426,697	(87,103)
Investment Earnings	195,000	195,000	178,939	(16,061)
Intergovernmental	2,398,500	2,398,500	2,404,128	5,628
Other	370,802	370,802	370,655	(147)
Total Revenues	\$ 17,508,102	\$ 17,508,102	\$ 17,989,576	\$ 481,474

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

Expenditures. Actual General Fund expenditures were \$16,961,974 in fiscal year 2017-2018, compared to the \$17,952,080 final budget; a difference of \$990,106, or 5.5%. The largest variances in Police, Community Development, Public Works, and Parks and Recreation were due to savings from multiple vacant budgeted positions. The Fire Services contract with LAFD were less than projections provided during the budget process.

Summary of General Fund Expenditures
Budget and Actual
June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
Expenditures				
General Government:				
City Council	\$ 176,108	\$ 194,861	\$ 191,434	\$ 3,427
Treasurer	181,495	181,495	181,924	(429)
Administration	451,011	451,011	447,984	3,027
Personnel	385,788	385,788	383,130	2,658
City Attorney (contract)	330,000	335,000	373,065	(38,065)
City Clerk	249,594	251,289	246,748	4,541
Elections	-	14,500	7,791	6,709
Finance	670,696	670,696	682,879	(12,183)
Information Technology (contract)	412,948	444,066	438,598	5,468
Retirement and Nondepartmental	351,259	386,008	42,384	343,624
Public Safety:				
Police	7,842,848	8,055,365	8,037,695	17,670
Fire (contract)	3,000,000	3,000,000	2,723,821	276,179
Community Development	1,056,538	1,088,779	984,938	103,841
Public Works	1,195,676	1,217,006	1,094,565	122,441
Parks and Recreation	1,272,286	1,276,216	1,125,018	151,198
Total Expenditures	17,576,247	17,952,080	16,961,974	990,106
Other Financing Sources (Uses)				
Transfers In	\$ 419,234	\$ 419,234	\$ 419,234	\$ -
Transfers Out	(480,000)	(480,000)	(180,000)	300,000
Total Other Financing Sources (Uses)	\$ (60,766)	\$ (60,766)	\$ 239,234	\$ 300,000
Net Change in Fund Balance	(128,911)	(504,744)	1,266,836	1,771,580
Fund Balance, Beginning of Year	(1,475,089)	(1,475,089)	(1,475,089)	-
Fund Balance, End of Year	(1,604,000)	(1,979,833)	(208,253)	1,771,580

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$44,999,017 as of June 30, 2018. 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, 2018 was \$1,151,483, due street and other capital improvements completed during the year. 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.

Capital Assets (Note 4)
Net of Accumulated Depreciation
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 6,408,397	\$ 2,301,730	\$ 8,710,127
Capital assets being depreciated	97,566,529	36,748,229	134,314,758
Less accumulated depreciation	(58,975,909)	(24,970,664)	(83,946,573)
Net Capital Assets	44,999,017	14,079,295	59,078,312

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

- ❖ *Governmental activities:* Capital asset additions in governmental activities include completion of various street and facility improvement projects.
- ❖ *Business-type activities:* Capital asset additions related to the water, sewer, and compressed natural gas operations include: Nitrate Removal System Project, CNG Station Improvements and various water and sewer main replacements.

Debt Administration. Long-term debts for Governmental Activities increased from \$52,641,755 as of June 30, 2017 to \$76,286,183 as of June 30, 2018; a total increase of \$23,644,428, or 44.9%. The increase is a result of implementing GASB 75, which significantly increased reported long-term OPEB liabilities. Total long-term debts in governmental and business activities consist of the following:

Long-Term Liabilities (Note 6)
June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 TRIP COP	\$ 2,720,000	\$ -	\$ (80,000)	\$ 2,640,000	\$ 85,000
COP Premium	125,644	-	(5,711)	119,933	5,711
Claims Payable	3,367,000	880,000	(1,932,000)	2,315,000	564,000
Insurance Assessment Payable	810,570	-	(81,057)	729,513	81,057
Compensated Absences	1,292,293	738,173	(738,548)	1,291,918	553,370
Net Pension Liability (Note 7)	28,932,302	3,906,807	-	32,839,109	-
Net OPEB Liability (Note 8)	-	36,350,710	-	36,350,710	-
Other Post-Employment Benefits	15,393,946	-	(15,393,946)	-	-
Total	\$ 52,641,755	\$ 41,875,690	\$ (18,231,262)	\$ 76,286,183	\$ 1,289,138
Business-type Activities:					
Compensated Absences	\$ 228,052	\$ 130,265	\$ (130,332)	\$ 227,985	\$ 97,653
Net Pension Liability (Note 7)	7,037,334	581,039	-	7,618,373	-
Net OPEB Liability (Note 8)	-	6,414,831	-	6,414,831	-
Total	\$ 7,265,386	\$ 7,126,135	\$ (130,332)	\$ 14,261,189	\$ 97,653

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 adjusted assessed valuation. The City's total assessed valuation in fiscal year 2017-2018 was \$1,854,633,401. The adjusted assessed valuation (i.e. to account for a change in valuation methodology since the legal debt limit was enacted by the state) is \$463,658,350. Therefore, the legal debt margin is \$69,548,753, which is well 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.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

Economy. The national and state economies have been steadily growing over the last few years, and that trend is expected to continue in the near term. In fact, during in 2018, the current economic expansion will become the second longest on record. As a nation, we are experiencing record low unemployment, property values exceed pre-recession prices, and there is a nation-wide construction boom.

There is also a fair amount of uncertainty related to the impact the Trump Administration's fiscal policies will have on the economy, particularly related to tax reform and international trade. Tax reform, which consolidated tax brackets and generally lowered the effective tax rate in each bracket, has spurred some growth due to an increase in disposable income for American consumers. Conversely, the Trump Administration's stance on tariffs and international trade may ultimately increase prices domestically, offsetting gains from tax cuts. It is unclear how the Trump Administration's policies will impact the economy. In the short-term, the economy is expected to continue slow and steady growth through 2019.

Federal Economy

According to the Bureau of Economic Analysis, Gross Domestic Product, which is a measure of output for the US economy, is expected to grow about 2.5% in 2018 and hover around 3.0% annually over the next few years. Over the last ten years, GDP growth has averaged 3.3% per year.

The national job market has remained steady as the employment rate has dipped under 4.0%, which is below what economists refer to as "full employment." Personal income has been steadily increasing while personal savings as a percentage of disposable income has been declining since it peaked at 11% in December 2012. Personal savings is currently 3.1%.

Low unemployment, increasing Personal Income and a decreasing Personal Savings Rate are indicators that consumers feel secure in their job; resulting in spending more of their disposable income. This is important in the United States' consumer driven economy. However, the Federal Reserve Bank has held the federal funds rate at historic lows (i.e. less than 2%) for almost 10 years.

State Economy

Quality of life in California is among the highest in the world as affirmed by its pre-eminence as a tourism destination and continued attractiveness for high-income migrants. California's economy has also been steadily improving, although there are a number of factors that may dampen economic growth in the near term. With California hitting its lowest unemployment rate since 1976, wage gains in the state have been on the rise. Average weekly wages in California increased by 4.3% in 2017, which was the largest increase in 10 years. The unemployment rate is expected to remain low and wages are expected to continue to increase with steady job growth and limited increases in the labor force. The state has also enacted legislation to increase minimum wage to \$15 per hour by 2022. It is too soon to gauge the effects of this increase as wage increases are currently being driven by scarcity of labor.

The most significant long term economic challenge for California is the scarcity and affordability of housing. Despite wage gains, housing is becoming less and less affordable. It is estimated that, for California alone, 200,000 new housing units are needed each year to meet demand, yet over the last few years, only 100,000 new units have been built each year. Construction activity is expected to increase moderately, but will likely still fall short. The state is likely to continue to impose legislation on local jurisdictions (similar to SB 35) to allow construction of new housing units.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)

The passage of Proposition 64 legalizing the adult use of recreational marijuana is expected to generate significant on-going tax revenues for the state. After an expected influx of tax dollars in 2018 and 2019, cannabis revenues will most likely level out after 2020 as the market normalizes.

Overall, the California economy is expected to remain strong through 2020. Beyond that, federal economic policies may begin to have a significant impact on the state economy.

Local Economy

Locally, sales and property taxes have demonstrated a consistent pattern of growth over the last ten years. The decision by Sam's Club to close the San Fernando location had a significant impact upon local tax revenue as it was one of the City's top 5 revenue generating businesses. Staff is actively working with the property owner and the retail community to identify a new tenant for the site. However, it is expected that space will likely remain vacant through FY 2018-2019.

Median single family residential sales price in San Fernando has hovered around \$450,000 over the last year, which is up from \$318,000 four years ago. The median price for Los Angeles County is \$570,000. According to the Southland Association of Realtors, home prices in the region reached an all-time high in 2017, while the available inventory of homes for sale remains low.

Despite the closure of Sam's Club, staff is bullish on the state of the local economy over the next few years. In December 2017, City Council adopted Specific Plan No. 5 to streamline the development review process and facilitate new development in the downtown area and the Metro Board has approved the East San Fernando Valley Transit Corridor light rail project that will connect San Fernando to the Orange Line. New businesses, including CVS and Truman House Tavern should help energize a resurgence in the San Fernando Mall area and a number of interested developers have approached the City with new development opportunities.

The local economy is expanding in-line with the state and Los Angeles County economies and, as such, is exposed to the same risk of a slow down due to the Trump Administration's policies. In particular, San Fernando has a largely Latino population and workforce that may be disproportionately impacted by more restrictive immigration policies.

Budget Outlook. The fiscal year 2018-2019 Budget is a Maintenance of Effort budget, which means it is based on providing the same level of service as fiscal year 2017-2018. Departments were asked to prepare their FY 2018-2019 budgets assuming no Consumer Price Index (CPI) increase. Enhancement requests by each department were carefully considered. The enhancements included in the Adopted Budget are required by law or contract, result in, or are offset by, additional revenue to the City, meet one of the citywide strategic goals, and/or provide a net long-term benefit to the City.

Despite the progress that has been made in the past year, and the investments being funded in the upcoming fiscal year, the City is still facing significant deficits in a number of funds and must continue to implement best financial management practices, protect revenues, and strategically appropriate funds based on sound cost-benefit analysis.

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, Deputy City Manager/Director of Finance 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, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 12,923,197	\$ 9,430,340	\$ 22,353,537
Restricted Cash and Investments	2,721,699	-	2,721,699
Receivables:			
Taxes	1,607,230	-	1,607,230
Accounts	267,106	1,116,680	1,383,786
Interest	60,759	-	60,759
Grants	1,163,474	-	1,163,474
Loans Receivable	1,579,809	-	1,579,809
Due From Fiduciary Fund	1,708,560	-	1,708,560
Internal Balances	217,194	(217,194)	-
Prepaid Items	3,600	-	3,600
Inventories	40,814	-	40,814
Capital Assets, Not Depreciated	6,408,397	2,301,731	8,710,128
Capital Assets, Depreciated, Net	38,590,620	11,777,564	50,368,184
Total Assets	<u>67,292,459</u>	<u>24,409,121</u>	<u>91,701,580</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	991,711	86,235	1,077,946
Deferred Outflows Related to Pensions	8,047,657	1,851,542	9,899,199
Total Deferred Outflows of Resources	<u>9,039,368</u>	<u>1,937,777</u>	<u>10,977,145</u>
LIABILITIES			
Accounts Payable	1,617,757	164,276	1,782,033
Accrued Liabilities	359,077	32,564	391,641
Interest Payable	7,882	-	7,882
Deposits Payable	203,994	200,989	404,983
Due to Other Agencies	303,686	-	303,686
Long-Term Liabilities:			
Due Within One Year	1,289,138	97,653	1,386,791
Due in More Than One Year	74,997,045	14,163,536	89,160,581
Total Liabilities	<u>78,778,579</u>	<u>14,659,018</u>	<u>93,437,597</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	3,391,656	598,528	3,990,184
Deferred Inflows Related to Pensions	389,163	101,183	490,346
Total Deferred Inflows of Resources	<u>3,780,819</u>	<u>699,711</u>	<u>4,480,530</u>
NET POSITION			
Net Investment in Capital Assets	42,239,084	14,079,295	56,318,379
Restricted for:			
Transportation	3,471,770	-	3,471,770
Housing	3,287,492	-	3,287,492
Air Pollution	105,472	-	105,472
Parks & Recreation	44,958	-	44,958
Public Safety	203,364	-	203,364
Retirement	10,517,651	-	10,517,651
Community Development	49,752	-	49,752
Parking	318,172	-	318,172
Unrestricted	(66,465,286)	(3,091,126)	(69,556,412)
Total Net Position	<u>\$ (6,227,571)</u>	<u>\$ 10,988,169</u>	<u>\$ 4,760,598</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 5,003,034	\$ 595,511	\$ 28,577	\$ -
Public Safety	13,046,118	1,243,148	671,595	-
Community Development	1,275,585	400,844	18,056	-
Public Works	4,966,748	423,286	1,264,669	1,910,721
Parks and Recreation	1,735,878	445,635	1,049,912	-
Interest Expense	128,661	-	-	-
Total Governmental Activities	26,156,024	3,108,424	3,032,809	1,910,721
Business-type Activities:				
Water	3,389,704	4,411,292	-	-
Sewer	4,458,457	3,435,103	-	-
Compressed Natural Gas	42,825	68,467	-	-
Waste Disposal	5,898	16,994	-	-
Total Business-type Activities	7,896,884	7,931,856	-	-
Total Primary Government	<u>\$ 34,052,908</u>	<u>\$ 11,040,280</u>	<u>\$ 3,032,809</u>	<u>\$ 1,910,721</u>

General Revenues:

Taxes:

Property

Sales and Use

Business License Taxes

Franchise

Other Taxes

Investment Income

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Prior Period Adjustments

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>
\$ (4,378,946)	\$ -	\$ (4,378,946)
(11,131,375)	-	(11,131,375)
(856,685)	-	(856,685)
(1,368,072)	-	(1,368,072)
(240,331)	-	(240,331)
(128,661)	-	(128,661)
<u>(18,104,070)</u>	<u>-</u>	<u>(18,104,070)</u>
-	1,021,588	1,021,588
-	(1,023,354)	(1,023,354)
-	25,642	25,642
-	11,096	11,096
<u>-</u>	<u>34,972</u>	<u>34,972</u>
<u>(18,104,070)</u>	<u>34,972</u>	<u>(18,069,098)</u>
8,970,624	-	8,970,624
7,984,731	-	7,984,731
1,629,779	-	1,629,779
663,381	-	663,381
371,835	-	371,835
122,016	39,486	161,502
192,512	-	192,512
162,407	(162,407)	-
<u>20,097,285</u>	<u>(122,921)</u>	<u>19,974,364</u>
1,993,215	(87,949)	1,905,266
13,910,609	18,154,325	32,064,934
<u>(22,131,395)</u>	<u>(7,078,207)</u>	<u>(29,209,602)</u>
<u>\$ (6,227,571)</u>	<u>\$ 10,988,169</u>	<u>\$ 4,760,598</u>

City of San Fernando
Balance Sheet
Governmental Funds
June 30, 2018

		Special Revenue		
	General Fund	Retirement Tax	Housing	Measure R
ASSETS				
Cash and Investments	\$ 2,692,639	\$ 5,766,107	\$ 367,413	\$ 12,681
Restricted Cash and Investments	-	-	-	2,721,699
Receivables:				
Taxes	1,411,815	116,704	-	-
Accounts	170,949	-	-	-
Interest	60,759	-	-	-
Grants	-	-	-	-
Due From Other Funds	545,262	-	-	-
Loans Receivable	-	-	1,276,123	-
Due from Successor Agency	64,604	-	1,643,956	-
Advances to Other Funds	-	4,671,019	-	-
Prepaid Items	1,704	-	-	-
Total Assets	<u>\$ 4,947,732</u>	<u>\$ 10,553,830</u>	<u>\$ 3,287,492</u>	<u>\$ 2,734,380</u>
LIABILITIES				
Accounts Payable	\$ 361,632	\$ 27	\$ -	\$ 138,318
Accrued Liabilities	289,824	36,152	-	203
Deposits	195,227	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Agencies	-	-	-	-
Advances From Other Funds	4,309,302	-	-	-
Total Liabilities	<u>5,155,985</u>	<u>36,179</u>	<u>-</u>	<u>138,521</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	1,704	-	-	-
Advances to Other Funds	64,604	-	-	-
Restricted For:				
Transportation	-	-	-	2,595,859
Housing	-	-	3,287,492	-
Air Pollution	-	-	-	-
Parks and Recreation	-	-	-	-
Public Safety	-	-	-	-
Retirement	-	10,517,651	-	-
Community Development	-	-	-	-
Unassigned	(274,561)	-	-	-
Total Fund Balances	<u>(208,253)</u>	<u>10,517,651</u>	<u>3,287,492</u>	<u>2,595,859</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,947,732</u>	<u>\$ 10,553,830</u>	<u>\$ 3,287,492</u>	<u>\$ 2,734,380</u>

The accompanying notes are an integral part of this statement.

Capital Grants	Other Governmental Funds	Total
\$ -	\$ 2,099,290	\$ 10,938,130
-	-	2,721,699
-	78,711	1,607,230
-	69,657	240,606
-	-	60,759
896,304	267,170	1,163,474
-	-	545,262
-	303,686	1,579,809
-	-	1,708,560
-	-	4,671,019
-	1,896	3,600
<u>\$ 896,304</u>	<u>\$ 2,820,410</u>	<u>\$ 25,240,148</u>

\$ 412,239	\$ 424,216	\$ 1,336,432
29	20,038	346,246
-	8,767	203,994
483,926	61,336	545,262
-	303,686	303,686
-	-	4,309,302
<u>896,194</u>	<u>818,043</u>	<u>7,044,922</u>

<u>711,588</u>	<u>61,002</u>	<u>772,590</u>
<u>711,588</u>	<u>61,002</u>	<u>772,590</u>

-	1,896	3,600
-	-	64,604
-	1,314,497	3,910,356
-	-	3,287,492
-	105,472	105,472
-	363,130	363,130
-	154,617	154,617
-	-	10,517,651
-	49,752	49,752
(711,478)	(47,999)	(1,034,038)
<u>(711,478)</u>	<u>1,941,365</u>	<u>17,422,636</u>
<u>\$ 896,304</u>	<u>\$ 2,820,410</u>	<u>\$ 25,240,148</u>

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City of San Fernando
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Fund Balances for Governmental Funds	\$ 17,422,636
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

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

Capital Assets	103,974,926
Accumulated Depreciation	(58,975,909)

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, 2018:

Net Pension Liability	(32,839,109)
Compensated Absences	(1,291,918)
Other Post-employment Benefits (OPEB) Liability	(36,350,710)
2016 Installment Sale Agreement	(2,640,000)
Premium on 2016 Installment Sale Agreement	(119,933)
Interest Payable on Long-term Debt	(7,882)

Amounts for deferred outflows and deferred inflows related to the City's Net Pension and OPEB Liabilities are not reported in the funds:

Deferred Outflows Related to Pensions	8,047,657
Deferred Inflows Related to Pensions	(389,163)
Deferred Outflows Related to OPEB	991,711
Deferred Inflows Related to OPEB	(3,391,656)

Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	772,590
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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 Governmental Activities in the Statement of Net Position.	(1,430,811)
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Net Position of Governmental Activities	\$ (6,227,571)
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The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General Fund	Retirement Tax	Special Revenue	
			Housing	Measure R
REVENUES				
Taxes	\$ 13,436,220	\$ 4,455,297	\$ -	\$ 284,304
Licenses and Permits	279,620	-	-	-
Charges for Services	893,317	-	-	-
Fines and Forfeitures	426,697	-	-	-
Investment Earnings	178,939	31,405	36,464	33,290
Intergovernmental	2,404,128	1,556	-	-
Other	370,655	-	-	-
Total Revenues	17,989,576	4,488,258	36,464	317,594
EXPENDITURES				
Current:				
General Government	2,763,428	2,271,772	-	-
Public Safety	10,761,516	852,684	-	-
Community Development	984,938	71,881	-	-
Public Works	1,094,565	196,959	-	3,876
Parks and Recreation	1,125,018	74,611	-	-
Capital Outlay	201,292	-	-	857,263
Debt Service:				
Principal	-	-	-	80,000
Interest and Fiscal Charges	31,217	-	6,476	96,988
Total Expenditures	16,961,974	3,467,907	6,476	1,038,127
Excess of Revenues Over (Under) Expenditures	1,027,602	1,020,351	29,988	(720,533)
OTHER FINANCING SOURCES (USES)				
Transfers In	419,234	-	-	-
Transfers Out	(180,000)	-	-	-
Total Other Financing Sources (Uses)	239,234	-	-	-
Net Change in Fund Balances	1,266,836	1,020,351	29,988	(720,533)
Fund Balances, Beginning of Year	(1,475,089)	9,497,300	3,257,504	3,316,392
Fund Balances, End of Year	\$ (208,253)	\$ 10,517,651	\$ 3,287,492	\$ 2,595,859

The accompanying notes are an integral part of this statement.

Capital Grants	Other Governmental Funds	Total
\$ -	\$ 1,491,436	\$ 19,667,257
-	-	279,620
-	345,476	1,238,793
-	10,244	436,941
-	32,810	312,908
1,545,575	1,560,109	5,511,368
-	155,658	526,313
<u>1,545,575</u>	<u>3,595,733</u>	<u>27,973,200</u>
-	50,590	5,085,790
82,777	49,367	11,746,344
-	-	1,056,819
12,443	1,541,738	2,849,581
148,800	256,221	1,604,650
1,835,406	861,273	3,755,234
-	-	80,000
-	-	134,681
<u>2,079,426</u>	<u>2,759,189</u>	<u>26,313,099</u>
<u>(533,851)</u>	<u>836,544</u>	<u>1,660,101</u>
-	50,000	469,234
-	(299,234)	(479,234)
-	(249,234)	(10,000)
(533,851)	587,310	1,650,101
<u>(177,627)</u>	<u>1,354,055</u>	<u>15,772,535</u>
<u>\$ (711,478)</u>	<u>\$ 1,941,365</u>	<u>\$ 17,422,636</u>

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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$	1,650,101
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital Expenditures		3,727,065
Depreciation Expense		(2,575,582)

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. The following represent differences in the treatment of long-term debt and related items:

Principal payment on Installment Sale Agreement		80,000
Amortization of Premium on Installment Sale Agreement		5,711

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, as follows:

Compensated Absences		375
Net Pension Liability		(3,906,807)
Other Post-employment Benefit Liability		2,466,831
Accrued Interest Payable		309

Amounts for deferred inflows and deferred outflows related to the City's Net Pension and OPEB Liabilities are not reported in the funds. This is the net change in these deferred outflows and inflows:

Deferred Outflows Related to Pensions		1,889,285
Deferred Inflows Related to Pensions		626,977
Deferred Outflows Related to OPEB		(72,437)
Deferred Inflows Related to OPEB		(3,391,656)

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.

13,631

The change in net position of the internal service fund is reported with governmental activities.

1,479,412

Change in Net Position of Governmental Activities

\$ 1,993,215

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
ASSETS					
Current Assets:					
Cash and Investments	\$ 4,924,352	\$ 4,433,086	\$ 72,902	\$ 9,430,340	\$ 1,985,067
Customer Accounts Receivable, Net	616,690	487,054	12,936	1,116,680	26,500
Inventory	-	-	-	-	40,814
Total Current Assets	5,541,042	4,920,140	85,838	10,547,020	2,052,381
Noncurrent Assets:					
Advances to Other Funds	-	1,104,238	-	1,104,238	-
Capital Assets:					
Land	26,345	-	-	26,345	-
Water Rights	624,659	-	-	624,659	-
Construction in Progress	1,650,727	-	-	1,650,727	-
Buildings and Plant	5,630,795	118,500	-	5,749,295	-
Infrastructure	16,464,065	6,375,451	-	22,839,516	-
Land Improvements	29,200	-	-	29,200	-
Equipment	7,063,204	1,013,356	53,657	8,130,217	-
Less: Accumulated Depreciation	(20,320,561)	(4,609,472)	(40,631)	(24,970,664)	-
Total Noncurrent Assets	11,168,434	4,002,073	13,026	15,183,533	-
Total Assets	16,709,476	8,922,213	98,864	25,730,553	2,052,381
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Actuarial Amounts	75,456	10,779	-	86,235	-
Pension Actuarial Amounts	1,074,588	776,954	-	1,851,542	-
Total Deferred Outflows of Resources	1,150,044	787,733	-	1,937,777	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	130,280	33,098	898	164,276	281,325
Accrued Liabilities	19,270	13,294	-	32,564	12,831
Current Portion of Insurance Payable	-	-	-	-	81,057
Current Portion of Claims Payable	-	-	-	-	564,000
Current Portion of Compensated Absences	58,592	39,061	-	97,653	-
Customer Deposits	200,989	-	-	200,989	-
Total Current Liabilities	409,131	85,453	898	495,482	939,213
Noncurrent Liabilities:					
Advances From other Funds	1,187,848	278,107	-	1,465,955	-
Insurance Assessment Payable	-	-	-	-	648,456
Claims Payable	-	-	-	-	1,751,000
Compensated Absences	78,199	52,133	-	130,332	-
Net OPEB Liability	3,848,899	2,565,932	-	6,414,831	-
Net Pension Liability	4,421,511	3,196,862	-	7,618,373	-
Total Noncurrent Liabilities	9,536,457	6,093,034	-	15,629,491	2,399,456
Total Liabilities	9,945,588	6,178,487	898	16,124,973	3,338,669
DEFERRED INFLOWS OF RESOURCES					
OPEB Actuarial Amounts	359,117	239,411	-	598,528	-
Pension Actuarial Amounts	58,724	42,459	-	101,183	-
Total Deferred Inflows of Resources	417,841	281,870	-	699,711	-
NET POSITION					
Net Investment In Capital Assets	11,168,434	2,897,835	13,026	14,079,295	-
Unrestricted	(3,672,343)	351,754	84,940	(3,235,649)	(1,286,288)
Total Net Position	\$ 7,496,091	\$ 3,249,589	\$ 97,966	10,843,646	\$ (1,286,288)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				144,523	
Net Position of Business-type Activities				<u>\$ 10,988,169</u>	

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, 2018

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
OPERATING REVENUES					
Charges for Services	\$ 4,390,967	\$ 3,435,103	\$ 56,781	\$ 7,882,851	\$ 3,170,386
Other	20,325	-	28,680	49,005	1,040,977
Total Operating Revenues	4,411,292	3,435,103	85,461	7,931,856	4,211,363
OPERATING EXPENSES					
Contractual Services	13,486	1,303,275	-	1,316,761	213,935
Maintenance and Operations	2,838,575	3,097,852	43,851	5,980,278	701,666
Administration and General	-	-	2,231	2,231	1,982,082
Claims	-	-	-	-	(175,046)
Depreciation	612,801	148,190	2,641	763,632	-
Total Operating Expenses	3,464,862	4,549,317	48,723	8,062,902	2,722,637
Operating Income (Loss)	946,430	(1,114,214)	36,738	(131,046)	1,488,726
NONOPERATING REVENUES (EXPENSES)					
Interest Income	6,754	32,736	(4)	39,486	-
Interest Expense	(15,703)	-	-	(15,703)	-
Total Nonoperating Revenues (Expenses)	(8,949)	32,736	(4)	23,783	-
Income (Loss) Before Transfers	937,481	(1,081,478)	36,734	(107,263)	1,488,726
Transfers In	-	-	17,593	17,593	190,000
Transfers Out	(120,000)	(60,000)	-	(180,000)	(17,593)
Change in Net Position	817,481	(1,141,478)	54,327	(269,670)	1,661,133
Net Position, Beginning of Year	10,925,534	7,222,350	43,639		(2,947,421)
Prior Period Adjustment	(4,246,924)	(2,831,283)	-	(7,078,207)	-
Net Position, End of Year	<u>\$ 7,496,091</u>	<u>\$ 3,249,589</u>	<u>\$ 97,966</u>		<u>\$ (1,286,288)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				181,721	
Change in Net Position of Business-type Activities				<u>\$ (7,166,156)</u>	

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 4,411,782	\$ 3,406,197	\$ 56,781	\$ 7,874,760	\$ 3,176,817
Payments to Suppliers and Contractors	(1,283,268)	(3,116,687)	(44,736)	(4,444,691)	(2,272,302)
Payments to Employees	(1,611,392)	(1,060,578)	(2,231)	(2,674,201)	(755,483)
Claims Paid	-	-	-	-	(876,954)
Other Operating Income	20,325	-	24,832	45,157	1,040,977
Net Cash Flows from Operating Activities	1,537,447	(771,068)	34,646	801,025	313,055
Cash Flows from Noncapital Financing Activities					
Loans from (to) Other Funds	(125,543)	150,862	-	25,319	-
Interest Expense Paid on Advances	(15,703)	-	-	(15,703)	-
Transfers from Other Funds	-	-	17,593	17,593	190,000
Transfers to Other Funds	(120,000)	(60,000)	-	(180,000)	(17,593)
Net Cash Flows from Noncapital Financing Activities	(261,246)	90,862	17,593	(152,791)	172,407
Cash Flows from Capital Financing Activities					
Acquisition of Capital Assets	(57,260)	(270,427)	-	(327,687)	-
Cash Flows from Investing Activities					
Interest Received	6,754	32,736	(4)	39,486	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,225,695	(917,897)	52,235	360,033	485,462
Cash and Cash Equivalents - Beginning of Year	3,698,657	5,350,983	20,667	9,070,307	1,499,605
Cash and Cash Equivalents - End of Year	\$ 4,924,352	\$ 4,433,086	\$ 72,902	\$ 9,430,340	\$ 1,985,067
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 946,430	\$ (1,114,214)	\$ 36,738	\$ (131,046)	\$ 1,488,726
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	612,801	148,190	2,641	763,632	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(3,959)	(28,906)	(3,848)	(36,713)	6,431
(Increase) Decrease in Deferred Outflows - OPEB	(75,456)	(10,779)	-	(86,235)	-
(Increase) Decrease in Deferred Outflows - Pensions	28,438	(140,303)	-	(111,865)	-
(Increase) Decrease in Inventory	-	-	-	-	(2,155)
Increase (Decrease) in Accounts Payable	24,253	(278,357)	(885)	(254,989)	(52,555)
Increase (Decrease) in Accrued Liabilities	(1,244)	1,881	-	637	5,665
Increase (Decrease) in Compensated Absences	(40)	(27)	-	(67)	-
Increase (Decrease) in Net OPEB Liability	(261,194)	(174,130)	-	(435,324)	-
Increase (Decrease) in Net Pension Liability	(40,445)	621,484	-	581,039	-
Increase (Decrease) in Deferred Inflows - OPEB	359,117	239,411	-	598,528	-
Increase (Decrease) in Deferred Inflows - Pensions	(76,028)	(35,318)	-	(111,346)	-
Increase (Decrease) in Ins. Assessments Payable	-	-	-	-	(81,057)
Increase (Decrease) in Claims Payable	-	-	-	-	(1,052,000)
Increase (Decrease) in Customer Deposits	24,774	-	-	24,774	-
Net Cash Provided by Operating Activities	\$ 1,537,447	\$ (771,068)	\$ 34,646	\$ 801,025	\$ 313,055

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Fiduciary Funds
June 30, 2018

	Agency Funds	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 115,372	\$ 5,158,975
Receivables:		
Accounts	585	-
Other Loans	-	543,678
Land Held for Resale	-	468,733
Restricted Assets:		
Cash and Investments with Fiscal Agents	-	35
	<hr/>	<hr/>
Total Assets	<u>\$ 115,957</u>	<u>6,171,421</u>
LIABILITIES		
Accounts Payable	\$ 15,719	-
Deposits	100,238	-
Interest Payable	-	10,036
Due to City of San Fernando	-	1,708,560
County Deferral	-	2,570,465
Bonds Payable	-	1,579,901
	<hr/>	<hr/>
Total Liabilities	<u>\$ 115,957</u>	<u>5,868,962</u>
NET POSITION		
Net Position Held in Trust for Successor Agency		<u>\$ 302,459</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2018

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 1,246,887
Interest Income	<u>3,326</u>
Total Additions	<u>1,250,213</u>
DEDUCTIONS	
Administrative and Passthrough Costs	695,879
Interest on Bonds	<u>78,191</u>
Total Deductions	<u>774,070</u>
Change in Net Position	476,143
Net Position - Beginning of Year	<u>(173,684)</u>
Net Position - End of Year	<u><u>\$ 302,459</u></u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

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 statements of the City of San Fernando (City) 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.

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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 the City's participation in the Public Employees Retirement System.

The Housing Special Revenue Fund accounts for receipts from repayments of low-income housing loans and other housing related revenue. The proceeds are restricted for low income housing purposes.

The Measure R Special Revenue Fund accounts for the receipt of Measure R funds, which is a county-wide half-cent (\$0.50) transaction tax restricted for traffic relief.

The Capital Grants Capital Projects Fund accounts for revenues that are restricted for specific capital projects.

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.

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 City also reports the following fund types:

The Internal Service Funds are 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 uses internal service funds to account for facility maintenance, equipment maintenance, equipment replacements and self-insurance.

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 Senior Association.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 statement of cash flows, as 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 received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. 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.

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 25% of existing balance up to 160 hours 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.

M) Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Loans 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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 reports deferred outflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

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 certain items, which arise only under the 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. In addition, the City reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

Q) Fund Equity

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 December 5, 2016 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.

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) Pensions

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

U) Other Postemployment Benefits (OPEB)

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

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

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 83 - Certain Asset Retirement Obligations: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 87 - Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 88 - Certain Disclosures Related to Debt: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 90 - Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition, the City implemented *GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of June 30, 2018. This statement was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

2) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2018:

	Government-wide Statement of Net Position	Fiduciary Fund Statement of Assets and Liabilities	Total
Cash and Investments	\$ 22,353,537	\$ 5,274,347	\$ 27,627,884
Restricted Cash and Investments	2,721,699	35	2,721,734
Total Cash and Investments	<u>\$ 25,075,236</u>	<u>\$ 5,274,382</u>	<u>\$ 30,349,618</u>

Cash and investments at June 30, 2018 consisted of the following:

Demand Deposits	\$ 9,448,459
Petty Cash	2,800
Investments	<u>20,898,359</u>
Total Cash and Investments	<u>\$ 30,349,618</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 % of Portfolio	Maximum Percentage per Issuer
U.S. Treasury Obligations	5 years	None	N/A
U.S. Government Agency Securities	5 years	None	30%
Negotiable Certificates of Deposit	5 years	30%	5%
Banker's Acceptances	180 days	25%	5%
Corporate Medium-term Notes	5 years	30%	5%
Repurchase Agreements	75 days	20%	N/A
Municipal Bonds	5 years	None	N/A
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million
Money Market Mutual Funds	N/A	20%	10%

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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, 2018 is as follows:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25 to 60 Months	
Local Agency Investment Fund	\$ 7,973,062	\$ -	\$ -	\$ 7,973,062
Money Market	16,301	-	-	16,301
Certificates of Deposit	246,529	488,237	4,552,143	5,286,909
U.S. Treasury Note	-	-	477,695	477,695
Federal Agency Securities	-	245,928	2,015,219	2,261,147
Corporate Medium-term Notes	-	494,636	1,366,026	1,860,662
Municipal Bonds	-	300,849	-	300,849
Held by Bond Trustees:				
Money Market Mutual Funds	2,721,734	-	-	2,721,734
Total	\$ 10,957,626	\$ 1,529,650	\$ 8,411,083	\$ 20,898,359

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 S & P as of year-end for each investment type:

Investment Type	Total Investments	Minimum Legal Rating	Rating as of Year End		
			AAA	Not Required to be Rated	Unrated
Local Agency Investment Fund	\$ 7,973,062	N/A	\$ -	\$ -	\$ 7,973,062
Money Market	16,301	N/A	-	-	16,301
Certificates of Deposit	5,286,909	N/A	-	-	5,286,909
U.S. Treasury Note	477,695	N/A	-	477,695	-
Federal Agency Securities	2,261,147	N/A	2,261,147	-	-
Corporate Medium-term Notes	1,860,662	AA	1,860,662	-	-
Municipal Bonds	300,849	AA	300,849	-	-
Held by Bond Trustees:					
Money Market Mutual Funds	2,721,734	AAA	2,721,734	-	-
Total	\$ 20,898,359		\$ 7,144,392	\$ 477,695	\$ 13,276,272

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

At June 30, 2018, the City had investments totaling \$1,476,155 in Federal Home Loan Mortgage Corp. securities, which represent more than 5% 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. 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.

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

- U.S. Treasury Notes of \$477,695 are valued using quoted market prices (Level 1 inputs).
- Federal Agency Securities of \$2,261,147 are valued using a matrix pricing model (Level 2 inputs).
- Corporate Notes of \$1,860,662 are valued using a matrix pricing model (Level 2 inputs).
- Municipal Bonds of \$300,849 are valued using a matrix pricing model (Level 2 inputs).

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To and Due From Other Funds

At June 30, 2018, \$545,262 is reported as amounts due from other funds in the General Fund resulting from temporary interfund borrowings to cover temporary operating deficits. This amount consists of \$483,926 loaned to the Capital Grants Fund and \$61,336 loaned to non-major governmental funds.

Long-term Advances

At June 30, 2018, the City reported the following interfund long-term advances:

		ADVANCES FROM			
		Retirement Tax Fund	Other Govt. Funds	Sewer Fund	Total
ADVANCES TO	General Fund	\$ 4,114,805	\$ -	\$ 194,497	\$ 4,309,302
	Water Fund	278,107	-	909,741	1,187,848
	Sewer Fund	278,107	-	-	278,107
	Total	\$ 4,671,019	\$ -	\$ 1,104,238	\$ 5,775,257

- (1) 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 assumed the advance payable of \$869,150 from the Capital Grants Capital Projects Fund due to the Capital Grants Fund's inability to repay the advance. As of June 30, 2018, the outstanding balance due to the Retirement Tax Special Revenue Fund and the Sewer Enterprise Fund are \$194,497 and \$194,497, respectively.
- (2) 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 basis, 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, 2018, the outstanding balance of the advance is \$909,741.
- (3) In November 2013, the City determined that certain amounts paid 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 \$3,920,308, \$278,107, and \$278,107, 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.

Due from Successor Agency

On June 2, 2003, the City entered into an agreement with the former 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, 2018, the outstanding balance on the note is \$64,604. Also, 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, 2018, the outstanding balance is \$1,643,956.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Summary of Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 299,234
	Water Enterprise Fund	60,000
	Sewer Enterprise Fund	60,000
Other Governmental Funds	General Fund	50,000
Nonmajor Enterprise Fund	Internal Service Fund	17,593
Internal Service Fund	General Fund	130,000
	Water Enterprise Fund	60,000
		<u>\$ 676,827</u>

The transfers to the General Fund from the Other Governmental Funds of \$299,234 were to cover costs for public works projects and public safety overtime costs. The transfers to the General Fund from the Water and Sewer funds of \$60,000 and \$60,000 respectively, were for annual lease payments for use of the City's facilities.

The General Fund transferred \$50,000 to other governmental funds to fund various project costs and to cover operating deficits. The General Fund also transferred \$130,000 to the Internal Service Fund to cover future vehicle replacement costs, and the Water Fund transferred \$60,000 to the Internal Service Fund for the Water Fund's portion of property insurance premiums for covered well sites. The internal service funds transferred \$17,593 to nonmajor enterprise funds to establish the Compressed Natural Gas Fund.

4) CAPITAL ASSETS

The following is a summary of capital assets activity for the 2017-18 fiscal year:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in Progress	79,994	1,931,298	-	2,011,292
Total Capital Assets Not Depreciated	4,477,099	1,931,298	-	6,408,397
Capital Assets, Being Depreciated:				
Buildings	28,628,398	-	-	28,628,398
Improvements Other than Buildings	5,145,657	118,284	-	5,263,941
Machinery and Equipment	8,809,034	441,439	60,941	9,189,532
Infrastructure	53,248,614	1,236,044	-	54,484,658
Total Capital Assets Being Depreciated	95,831,703	1,795,767	60,941	97,566,529
Less Accumulated Depreciation:				
Buildings	(10,339,028)	(761,967)	-	(11,100,995)
Improvements Other than Buildings	(3,361,109)	(163,901)	-	(3,525,010)
Machinery and Equipment	(7,637,312)	(341,490)	(60,941)	(7,917,861)
Infrastructure	(35,123,819)	(1,308,224)	-	(36,432,043)
Total Accumulated Depreciation	(56,461,268)	(2,575,582)	(60,941)	(58,975,909)
Net Capital Assets Being Depreciated	39,370,435	(779,815)	-	38,590,620
Total Capital Assets	<u>\$ 43,847,534</u>	<u>\$ 1,151,483</u>	<u>\$ -</u>	<u>\$ 44,999,017</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

4) CAPITAL ASSETS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 26,345	\$ -	\$ -	\$ 26,345
Water Rights	624,659	-	-	624,659
Construction in Progress	1,605,636	45,090	-	1,650,726
Total Capital Assets Not Depreciated	2,256,640	45,090	-	2,301,730
Capital Assets, Being Depreciated:				
Buildings	5,749,295	-	-	5,749,295
Improvements Other than Buildings	29,200	-	-	29,200
Machinery and Equipment	8,133,546	12,171	15,500	8,130,217
Infrastructure	22,569,090	270,427	-	22,839,517
Total Capital Assets Being Depreciated	36,481,131	282,598	15,500	36,748,229
Less Accumulated Depreciation:				
Buildings	(3,334,236)	(105,721)	-	(3,439,957)
Improvements Other than Buildings	(29,200)	-	-	(29,200)
Machinery and Equipment	(6,384,609)	(193,384)	(15,500)	(6,562,493)
Infrastructure	(14,474,487)	(464,527)	-	(14,939,014)
Total Accumulated Depreciation	(24,222,532)	(763,632)	(15,500)	(24,970,664)
Net Capital Assets Being Depreciated	12,258,599	(481,034)	-	11,777,565
Total Capital Assets	\$ 14,515,239	\$ (435,944)	\$ -	\$ 14,079,295

Depreciation expense was charged to functions/programs as follows:

Function/Program	Governmental Activities	Business-type Activities
General Government	\$ 8,311	\$ -
Public Safety	347,677	-
Public Works	1,949,381	-
Parks and Recreation	81,365	-
Community Development	188,848	-
Water	-	612,801
Sewer	-	148,190
Waste Disposal	-	2,641
Total Depreciation	\$ 2,575,582	\$ 763,632

5) LOAN RECEIVABLE

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 \$303,686, when collected, are due back to the granting agency and, therefore, are reported as due to other agencies in the financial statements.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2018.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,720,000	\$ -	\$ 80,000	\$ 2,640,000	\$ 85,000
Premium	125,644	-	5,711	119,933	5,711
Claims Payable	3,367,000	880,000	1,932,000	2,315,000	564,000
Insurance Assessment Payable	810,570	-	81,057	729,513	81,057
Compensated Absences*	1,292,293	738,173	738,548	1,291,918	553,370
Net Pension Liability	28,932,302	3,906,807	-	32,839,109	-
Net OPEB Liability	-	36,350,710	-	36,350,710	-
OPEB Obligation	15,393,946	-	15,393,946	-	-
Total	<u>\$ 52,641,755</u>	<u>\$ 41,875,690</u>	<u>\$ 18,231,262</u>	<u>\$ 76,286,183</u>	<u>\$ 1,289,138</u>
Business-type Activities:					
Compensated Absences*	\$ 228,052	\$ 130,265	\$ 130,332	\$ 227,985	\$ 97,653
Net Pension Liability	7,037,334	581,039	-	7,618,373	-
Net OPEB Liability	-	6,414,831	-	6,414,831	-
Total	<u>\$ 7,265,386</u>	<u>\$ 7,126,135</u>	<u>\$ 130,332</u>	<u>\$ 14,261,189</u>	<u>\$ 97,653</u>

*Beginning balances include a \$228,052 allocation of compensated absences to Business-type Activities.

2016 Installment Sale Agreement

In March 2016, the City entered into an installment sale agreement with the California Statewide Communities Development Authority (Authority), for the Local Measure R Sales Tax Revenue Certificates of Participation, Series 2016 (Certificates), Total Road Improvement Program. The Authority issued \$6,355,000 in Certificates to finance the design, acquisition, and construction of certain local roadway and street improvement projects for both the City of Azusa and the City of San Fernando. The Certificates are secured by installment payments due from the two cities, with the City of San Fernando's share being \$2,785,000. The installment payments, including principal and interest, are due on June 1 and December 1 of each year, commencing on December 1, 2016, and are to be made from Measure R revenues received by the City. Interest rates on the installment agreement range from 2% to 5%. The following represents the future debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 85,000	\$ 94,587	\$ 179,587
2020	85,000	92,038	177,038
2021	90,000	88,638	178,638
2022	95,000	85,037	180,037
2023	95,000	81,238	176,238
2024 - 2028	550,000	335,837	885,837
2029 - 2033	675,000	217,438	892,438
2034 - 2038	790,000	105,768	895,768
2039	175,000	5,687	180,687
Totals	<u>\$ 2,640,000</u>	<u>\$ 1,106,268</u>	<u>\$ 3,746,268</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES - Continued

Net Pension Liability

On April 9, 1946, the voters of the City of San Fernando approved an ad valorem property tax to raise the funds necessary to pay the City's annual obligation to CalPERS for the retirement benefits of City employees. In 1978, California voters approved Proposition 13, which limited the levy on ad valorem property taxes to one-percent (1%) of assessed value.

In 1985, the State Legislature adopted Revenue and Taxation Code Section 96.31, which authorized a jurisdiction to continue to impose an ad valorem property tax levy to make payments in support of pension programs provided: 1) it was approved by voters prior to July 1, 1978, and 2) the jurisdiction imposed the property tax levy in either FY 1982-1983 or FY 1983-1984. It also capped the rate the jurisdiction could impose to the rate imposed in FY 1982-1983 or FY 1983-1984, whichever is higher. Consequently, the maximum rate that can be levied by the City is \$0.28420 for each \$100 of assessed property value, as establish in FY 1982-1983.

Tax revenues raised through this special tax levy are accounted for in the Retirement Tax Special Revenue fund. The City's annual retirement costs are liquidated from this fund. In FY 2017-2018, the levy was \$0.232381 per \$100 of assessed valuation, which was sufficient to fully fund the City's CalPERS retirement costs. If the annual cost exceeds the amount that can be raised through the maximum special retirement tax levy, the remaining cost would be liquidated primarily from the General Fund.

More information related to the City's Net Pension Liability is included in Note 7.

Insurance Assessment Payable

In 2017, the City was assessed a Liability Program Assessment of \$848,269 for its share of prior year claims payments shortfalls in the insurance pool program, Independent Cities Risk Management Authority (ICRMA). The liability is payable over a 10-year period with the first payment of \$37,699 made in the period ended June 30, 2017, and future annual payments of \$81,057 over the next 10 years.

The following represents the future debt service requirements on the Insurance Assessment Payable:

Fiscal Year Ending June 30,	Principal
2019	\$ 81,057
2020	81,057
2021	81,057
2022	81,057
2023	81,057
2024	81,057
2025	81,057
2026	81,057
2027	81,057
Totals	<u>\$ 729,513</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

6) LONG-TERM LIABILITIES - Continued

Other Post-Employment Benefits (OPEB) Obligation

OPEB, i.e. retiree medical benefits, are primarily paid from the City's General Fund. In 2015, the City negotiated restructuring retiree medical benefits with all bargaining units. Employees hired after July 1, 2015 receive the minimum retiree medical benefits required by the Public Employees Medical and Health Care Act (PEMHCA), which was \$133 per month for calendar year 2018. The PEMHCA minimum is adjusted by CalPERS annually to account for inflation. In addition, the City established retiree health savings accounts for employees that only qualify for the PEMHCA minimum. The amount contributed by the City is negotiated with each bargaining unit and currently ranges from \$50 - \$150 per month. More information related to the City's OPEB liability is included in Note 8.

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, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2016A Tax Allocation Bonds	\$ 2,975,000	\$ -	\$ 1,280,000	\$ 1,695,000	\$ 740,000
County Deferral	2,792,691	168,162	390,388	2,570,465	-
Total	<u>\$ 5,767,691</u>	<u>\$ 168,162</u>	<u>\$ 1,670,388</u>	<u>\$ 4,265,465</u>	<u>\$ 740,000</u>

2016A Tax Allocation Bonds

In February 2016, the Successor Agency issued \$4,350,000 in Tax Allocation Refunding Bonds, Series 2016. Proceeds from the 2016 bonds, along with \$1,149,123 in funds remaining on the 2006 bonds, were used to establish a refunding escrow account to advance refund the 2006 bonds, and also to pay costs of issuance. As a result, the 2006 bonds are considered defeased, and the related debt has been removed from the financial statements of the Successor Agency. Future debt service requirements for the 2016 bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 740,000	\$ 26,897	\$ 766,897
2020	470,000	14,616	484,616
2021	485,000	4,923	489,923
Totals	<u>\$ 1,695,000</u>	<u>\$ 46,436</u>	<u>\$ 1,741,436</u>

County Deferral

The former 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. At June 30, 2018, the balance reported in the Successor Agency Fiduciary Fund was \$2,570,465.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

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

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police) and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors seven rate plans (three miscellaneous and four safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2016 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2016 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications. The rate plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA	
	Prior to November 12, 2005	Prior to January 1, 2013	On or after January 1, 2013	
Hire date				
Benefit formula	3% @ 60 single highest year	2% @ 55 36 month average	2% @ 62 36 month average	
Benefit vesting schedule	5 years service	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	monthly for life	
Retirement age	50 - 60	55	62	
Monthly benefits, as a % of eligible compensation	2% to 3%	2%	2%	
Required employee contribution rates	8%	7%	6.5%	
Required employer contribution rates	14.003% + \$1,086,323	9.887% + \$16,626	7.045% + \$141	
	Safety Tier I	Safety Tier II	Safety Tier III	Safety PEPRA
	Prior to January 6, 1994	Prior to September 8, 2012	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	3% @ 50 single highest year	3% @ 50 36 month average	3% @ 55 36 month average	2.7% @ 55 36 month average
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	55
Monthly benefits, as a % of eligible compensation	3%	3%	3%	2.7%
Required employee contribution rates	9%	9%	9%	11.50%
Required employer contribution rates	21.815% + \$791,836	18.615% + \$146,440	16.842%	11.990% + \$158

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

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

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$2,041,524 in fiscal year 2018.

The City's contributions to the Plan for the year ended June 30, 2018 were \$3,088,007.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported a liability of \$40,457,482 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the Plan's net pension liability as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2016	0.41569%
Proportion - June 30, 2017	0.40795%
Change - Increase (Decrease)	-0.00774%

For the year ended June 30, 2018, the City recognized pension expense of \$6,285,486. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,088,007	\$ -
Differences between actual and expected experience	130,607	277,003
Changes in assumptions	4,747,912	-
Change in employer's proportion	663,934	-
Differences between the employer's contributions and the employer's proportionate share of contributions	126,829	213,343
Net differences between projected and actual earnings on plan investments	1,141,910	
Total	<u>\$ 9,899,199</u>	<u>\$ 490,346</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

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

The \$3,088,007 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2019	\$ 1,984,583
2020	3,169,885
2021	1,839,555
2022	(673,177)
2023	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

- (1) Depending on age, service and type of employment
(2) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

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

1% Decrease	6.15%
Net Pension Liability	\$ 57,422,841
Current Discount Rate	7.15%
Net Pension Liability	\$ 40,457,482
1% Increase	8.15%
Net Pension Liability	\$ 26,497,608

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

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

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan - At June 30, 2018, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2018.

8) OTHER POST-EMPLOYMENT BENEFITS

Plan Description - For employees hired prior to July 1, 2015, the City contributes to a single-employer defined benefit plan to provide post-employment health care benefits (the "Plan"). 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.

Benefits Provided - Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of 5 years of service within the PERS system 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.

For employees hired on or after July 1, 2015, the City will provide the minimum retiree health benefit required by the Public Employees Medical and Health Care Act (PEMHCA), which was \$133 per month for calendar year 2018 and adjusted by CalPERS annually to account for inflation, and \$50 - \$150 per month into a Retiree Health Savings Account (RSA), depending on bargaining unit.

Employees Covered by Benefit Terms – As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	94
Inactive employees entitled to but not yet receiving benefits	11
Active employees	99
	<hr/>
	204

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

Total OPEB Liability - The City's Total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

8) OTHER POST-EMPLOYMENT BENEFITS - Continued

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age, Level Percent of Pay
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2017 CalPERS 1997-2015 Experience Study
Age at Retirement	52
Health Care Trend Rate	7.50% initial, 4.00% ultimate - Non-Medicare 6.50% initial, 4.00% ultimate - Medicare
Inflation Rate	2.75%
Salary Changes	3.00%
Discount Rate	3.56% - Fidelity GO AA - 20-year Index

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2016	\$ 45,667,696
Changes in the year:	
Service cost	1,601,768
Interest on the total OPEB liability	1,364,732
Differences between expected and actual experience	-
Assumption Changes	(4,804,507)
Benefit payments, including refunds	(1,064,148)
Net changes	(2,902,155)
Balance at June 30, 2017	\$ 42,765,541

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability (asset)	\$ 50,630,017	\$ 42,765,541	\$ 36,593,712

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 35,994,502	\$ 42,765,541	\$ 51,544,905

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

8) OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2018, the City recognized OPEB expense of \$2,152,177. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 1,077,946	\$ -
Changes of Assumptions	-	3,990,184
Net differences between projected and actual earnings on plan investments	-	-
Total	<u>\$ 1,077,946</u>	<u>\$ 3,990,184</u>

The \$1,077,946 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2019	\$ (814,323)
2020	(814,323)
2021	(814,323)
2022	(814,323)
2023	(732,892)
Thereafter	-

9) SELF-INSURANCE PROGRAM

The City is self-insured for workers' compensation claims, unemployment insurance, property insurance, and comprehensive general and automobile liability. The City purchases excess workers' compensation and liability insurance through its membership in the Independent Cities Risk Management Authority (ICRMA), a joint powers authority formed to pool the assets of its members to increase excess insurance buying power. ICRMA procures 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 16 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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

9) SELF-INSURANCE PROGRAM - Continued

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, 2018, the amount of these liabilities was \$1,545,000. This liability is the City's best estimate based on available information.

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, 2018, the amount of these liabilities was \$770,000. 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 claims liabilities resulted from the following:

	FY 2017-18	FY 2016-17
Beginning of Year	\$ 3,367,000	\$ 2,959,000
Claims and Changes in Estimates	880,000	1,956,230
Claim Payments	(1,932,000)	(1,548,230)
End of Year	<u>\$ 2,315,000</u>	<u>\$ 3,367,000</u>

10) DEFICIT NET POSITION/FUND BALANCES

The following non-major governmental funds reported deficits in fund balances at June 30, 2018:

	Deficit
Non-major Funds:	
Traffic Safety	4,779
Community Development Block Grant	12,255
Operating Grants	30,965

These deficits will be eliminated through the collection of revenues in the future, or transfers from other funds.

In addition, as of June 30, 2018, the City's General Fund is reporting a negative fund balance of \$208,253, and unrestricted net position for Governmental Activities and Business-type Activities in the Statement of Net Position is a negative \$66.5 million and \$3.1 million, respectively. Also, the Internal Service Funds are reporting a deficit net position of \$1,286,288. The City's obligation for other post-employment benefits has increased to \$42,765,541 as of June 30, 2018 (see Note 8), while the Net Pension Liability has increased to \$40,457,482.

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

10) DEFICIT NET POSITION/FUND BALANCES – Continued

In FY 2013-2014, the City Council began the development and implementation of a multi-year Deficit Elimination Plan. Put simply, the Deficit Elimination Plan aims to pay off debt, reduce ongoing expenditures and increase ongoing revenue. In 2013, the City declared a fiscal emergency and held a special election for a temporary one-half (½) cent local transaction and use tax, which was approved by sixty percent (60%) of voters. This local transaction tax, also referred to as “Measure A,” was originally set to sunset in October 2020. In November 2018, voters overwhelmingly (69%) approved extending the local transaction tax indefinitely.

The local transaction tax, originally projected to raise less than \$2 million per year, has generated close to \$2.5 million per year in additional general tax revenue and is necessary to fund a number of critical one-time needs. To date, the local transaction tax revenue has been used to fund non-recurring expenditures, including, but not limited to: 1) establishing General Fund, Self-Insurance, Equipment Replacement, and Facility Maintenance fund reserves, 2) paying off existing debt, 3) eliminating recurring deficit fund balances in Grant and other Special Revenue funds, 4) increase public safety by replacing outdated vehicles and equipment, 5) replacing and updating outdated computer hardware, software and telecommunications systems, and 6) funding capital projects to reduce the City’s deferred maintenance backlog.

In addition to short-term actions identified above, the City has taken a number of longer-term actions since the passage of Measure A to address the City’s deficit and improve long-term financial stability, including:

- Renegotiated the Fire and Emergency Services contract with the Los Angeles Fire Department to reduce the City’s ongoing annual cost without reducing service (saved more than \$500,000/year).
- Transferred operational and financial responsibility of the San Fernando Regional Pool to the County of Los Angeles through a lease of up to 55 years (saved more than \$500,000/year).
- Reduced retiree health benefits to the statutory minimum for new employees to decrease the City’s retiree health (OPEB) liability (significant long-term savings).
- Sold surplus land and used the land sale proceeds to reduce the General Fund deficit (generated \$1 million in proceeds).
- Developed a five-year General Fund projection to improve long-term decision making.
- Adopted a Development Agreement Ordinance to provide additional tools to increase economic development efforts and diversify the tax base.
- Re-established reserves for the Self-Insurance and Equipment Replacement Funds (more than \$1 million in reserve to protect against large lawsuits).
- Updated user fees, development fees, cost allocation calculations to ensure an appropriate cost recovery for City services (more than \$500,000/year in projected ongoing revenue).
- Updated the City’s long term financial planning policies, including budget, purchasing, debt management, grant management, investment, and reserve policies, with an emphasis on creating long term fiscal sustainability.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2018

10) DEFICIT NET POSITION/FUND BALANCES – Continued

To continue implementation of the deficit reduction plan in FY 2018-2019, the Adopted Budget includes the following:

- Continue to pay down General Fund debt to the Retirement Fund and Enterprise Funds.
- Upgrades to security and functionality of the City's network backbone and software systems, including permitting software upgrades that will allow customers to apply, pay, and receive certain permits online.
- Investment in staff training and education to maximize utilization of existing staff resources.
- A General Fund budget surplus of \$175,000 to further reduce the deficit fund balance.

Despite the progress that has been made since 2013, the City will need to continue to work to establish a reserve fund balance and develop strategies to fund key long-term liabilities, including retiree health and pension costs.

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 dissolution of redevelopment in California) and others that were self-inflicted. It will take many years to dig the City out; 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.

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 position.

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.

12) PRIOR PERIOD ADJUSTMENTS

Beginning net position for Governmental Activities and Business-type Activities has been decreased by \$22,131,395 and \$7,078,207, respectively, due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as described in Note 8. The \$7,078,207 restatement of beginning net position for Business-type Activities consists of a \$4,246,924 decrease to net position in the Water Fund, and a \$2,831,283 decrease to net position in the Sewer Fund.

REQUIRED SUPPLEMENTARY INFORMATION

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2018

CHANGES IN TOTAL OPEB LIABILITY/(ASSETS) AND RELATED RATIOS

	Measurement Period <u>2017</u>
Total OPEB Liability	
Service cost	\$ 1,601,768
Interest on total OPEB liability	1,364,732
Changes in assumptions	(4,804,507)
Changes in benefits	-
Benefit payments, including refunds	(1,064,148)
Net change in total OPEB liability	<u>(2,902,155)</u>
Total OPEB liability - beginning	45,667,696
Total OPEB liability - ending (a)	<u><u>\$ 42,765,541</u></u>
 Covered payroll	 \$ 9,645,806
Total OPEB liability as a percentage of covered payroll	 443.36%

Fiscal year 2018 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: None

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2018

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years*

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2017	0.40795%	\$ 40,457,482	\$ 7,744,402	522.41%	66.92%
2016	0.41569%	35,969,636	6,907,444	520.74%	68.39%
2015	0.43391%	29,783,281	6,342,163	469.61%	72.67%
2014	0.43086%	26,809,903	7,129,905	376.02%	75.28%

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2018

Schedule of Plan Contributions
Last 10 Years*

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Actuarially Determined Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$ 3,088,007	\$ (3,088,007)	\$ -	\$ 7,636,028	40.44%
2017	2,850,313	(2,850,313)	-	7,744,402	36.80%
2016	3,079,817	(3,079,817)	-	6,907,444	44.59%
2015	2,314,312	(2,314,312)	-	6,342,163	36.49%

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, and 6/30/2016

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 12,917,500	\$ 12,917,500	\$ 13,436,220	\$ 518,720
Licenses and Permits	273,500	273,500	279,620	6,120
Charges for Services	839,000	839,000	893,317	54,317
Fines and Forfeitures	513,800	513,800	426,697	(87,103)
Investment Earnings	195,000	195,000	178,939	(16,061)
Intergovernmental	2,398,500	2,398,500	2,404,128	5,628
Other	370,802	370,802	370,655	(147)
Total Revenues	17,508,102	17,508,102	17,989,576	481,474
EXPENDITURES				
Current:				
General Government:				
City Council	176,108	194,861	191,434	3,427
Treasurer	181,495	181,495	181,924	(429)
Administration	451,011	451,011	447,984	3,027
Personnel	385,788	385,788	383,130	2,658
City Attorney	330,000	335,000	373,065	(38,065)
City Clerk	249,594	251,289	246,748	4,541
Elections	-	14,500	7,791	6,709
Financial Management	670,696	670,696	682,879	(12,183)
Information Technology	412,948	444,066	438,598	5,468
Retirement and Nondepartmental	351,259	386,008	42,384	343,624
Public Safety:				
Police	7,842,848	8,055,365	8,037,695	17,670
Fire	3,000,000	3,000,000	2,723,821	276,179
Community Development	1,056,538	1,088,779	984,938	103,841
Public Works	1,195,676	1,217,006	1,094,565	122,441
Parks and Recreation	1,272,286	1,276,216	1,125,018	151,198
Total Expenditures	17,576,247	17,952,080	16,961,974	990,106
Excess (Deficiency) of Revenues over Expenditures	(68,145)	(443,978)	1,027,602	1,471,580
OTHER FINANCING SOURCES (USES)				
Transfers In	419,234	419,234	419,234	-
Transfers Out	(480,000)	(480,000)	(180,000)	300,000
Total Other Financing Sources (Uses)	(60,766)	(60,766)	239,234	300,000
Net Change in Fund Balances	(128,911)	(504,744)	1,266,836	1,771,580
Fund Balance, Beginning of Year	(1,475,089)	(1,475,089)	(1,475,089)	-
Fund Balance, End of Year	\$ (1,604,000)	\$ (1,979,833)	\$ (208,253)	\$ 1,771,580

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Retirement Tax Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 3,530,000	\$ 3,530,000	\$ 4,455,297	\$ 925,297
Investment Earnings	25,000	25,000	31,405	6,405
Total Revenues	3,555,000	3,555,000	4,488,258	933,258
EXPENDITURES				
Current:				
General Government	2,803,235	2,803,235	2,271,772	531,463
Public Safety	858,656	858,656	852,684	5,972
Public Works	208,602	208,602	196,959	11,643
Parks and Recreation	97,953	97,953	74,611	23,342
Community Development	96,312	96,312	71,881	24,431
Total Expenditures	4,064,758	4,064,758	3,467,907	596,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	(509,758)	(509,758)	1,020,351	1,530,109
OTHER FINANCING SOURCES (USES)				
Transfers In	274,868	274,868	-	(274,868)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	274,868	274,868	-	(274,868)
Net Change in Fund Balances	(234,890)	(234,890)	1,020,351	1,255,241
Fund Balance, Beginning of Year	9,497,300	9,497,300	9,497,300	-
Fund Balance, End of Year	\$ 9,262,410	\$ 9,262,410	\$ 10,517,651	\$ 1,255,241

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Measure R Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 285,000	\$ 285,000	\$ 284,304	\$ (696)
Investment Earnings	-	-	33,290	33,290
Total Revenues	285,000	285,000	317,594	32,594
EXPENDITURES				
Current:				
Public Works	3,000	3,000	3,876	(876)
Capital Outlay	-	3,087,063	857,263	2,229,800
Debt Service:				
Principal	80,000	80,000	80,000	-
Interest and Fiscal Charges	96,988	96,988	96,988	-
Total Expenditures	179,988	3,267,051	1,038,127	2,228,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	105,012	(2,982,051)	(720,533)	2,261,518
Fund Balance, Beginning of Year	3,316,392	3,316,392	3,316,392	-
Fund Balance, End of Year	<u>\$ 3,421,404</u>	<u>\$ 334,341</u>	<u>\$ 2,595,859</u>	<u>\$ 2,261,518</u>

City of San Fernando
Notes to Required Supplementary Information
Year Ended June 30, 2018

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. 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 2017-18 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.

SUPPLEMENTARY INFORMATION

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Grants Fund
Year Ended June 30, 2018

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	6,392,490	1,545,575	(4,846,915)
Total Revenues	6,392,490	1,545,575	(4,846,915)
EXPENDITURES			
Current:			
Public Safety	117,910	82,777	35,133
Public Works	6,999	12,443	(5,444)
Parks and Recreation	148,800	148,800	-
Capital Outlay	7,499,821	1,835,406	5,664,415
Total Expenditures	7,773,530	2,079,426	5,694,104
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,381,040)	(533,851)	847,189
Fund Balance, Beginning of Year	(177,627)	(177,627)	-
Fund Balance, End of Year	<u>\$ (1,558,667)</u>	<u>\$ (711,478)</u>	<u>\$ 847,189</u>

City of San Fernando
Other Governmental Funds
June 30, 2018

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.

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.

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.

City of San Fernando
Other Governmental Funds – Continued
June 30, 2018

SPECIAL REVENUE FUNDS - Continued

Proposition C - Accounts for the receipt of the "half-cent" sales tax administered by Metro. 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.

Measure M - Accounts for "half-cent" local return revenues from the County-wide sales tax administered by Metro. These funds are to be used to repave local streets, potholes and traffic signals, as well as expand the rail and rapid transit system with the overall objective of easing traffic congestion.

Road Maintenance and Rehab - Accounts for local return revenues received from the State of California (SB1) to address deferred maintenance on the State Highways system and local street and road system.

CAPITAL PROJECTS FUNDS

Capital Outlay - Accounts for capital projects funded by unrestricted general revenues for specific capital projects.

City of San Fernando
Combining Balance Sheet
Other Governmental Funds
June 30, 2018

	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety	Parking Maintenance and Operations	Local Transportation
ASSETS					
Cash and Investments	\$ 81,794	\$ 20,686	\$ -	\$ 319,179	\$ -
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	2,144	-	3,100	5,626	-
Grants	-	-	-	-	5,313
Loans Receivable	-	-	-	-	-
Prepaid Items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 83,938</u>	<u>\$ 20,686</u>	<u>\$ 3,100</u>	<u>\$ 324,805</u>	<u>\$ 5,313</u>
LIABILITIES					
Accounts Payable	\$ 28,600	\$ -	\$ -	\$ 4,588	\$ 534
Accrued Liabilities	418	-	42	978	-
Deposits	-	-	-	1,067	-
Due to Other Funds	-	-	7,837	-	4,779
Due to Other Agencies	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>29,018</u>	<u>-</u>	<u>7,879</u>	<u>6,633</u>	<u>5,313</u>
DEFERRED INFLOWS					
Unavailable Revenues - Grants	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	54,920	20,686	-	-	-
Air Pollution	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	318,172	-
Unassigned	-	-	(4,779)	-	-
	<u>-</u>	<u>-</u>	<u>(4,779)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>54,920</u>	<u>20,686</u>	<u>(4,779)</u>	<u>318,172</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 83,938</u>	<u>\$ 20,686</u>	<u>\$ 3,100</u>	<u>\$ 324,805</u>	<u>\$ 5,313</u>

Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax	Federal Asset Forfeiture	AQMD
\$ 69,675	\$ 3,677	\$ 40,172	\$ 38,881	\$ 85,225	\$ 7,657	\$ 104,434
-	-	-	-	-	-	-
-	-	18,752	-	-	-	8,061
40	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,896	-	-	-	-	-	-
<u>\$ 71,611</u>	<u>\$ 3,677</u>	<u>\$ 58,924</u>	<u>\$ 38,881</u>	<u>\$ 85,225</u>	<u>\$ 7,657</u>	<u>\$ 112,495</u>
\$ 14,303	\$ 3,525	\$ 16,382	\$ 1,763	18,743	\$ -	\$ 7,023
10,454	152	2,771	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>24,757</u>	<u>3,677</u>	<u>19,153</u>	<u>1,763</u>	<u>18,743</u>	<u>-</u>	<u>7,023</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,896	-	-	-	-	-	-
-	-	-	-	66,482	-	-
-	-	-	-	-	-	105,472
44,958	-	-	-	-	-	-
-	-	39,771	37,118	-	7,657	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>46,854</u>	<u>-</u>	<u>39,771</u>	<u>37,118</u>	<u>66,482</u>	<u>7,657</u>	<u>105,472</u>
<u>\$ 71,611</u>	<u>\$ 3,677</u>	<u>\$ 58,924</u>	<u>\$ 38,881</u>	<u>\$ 85,225</u>	<u>\$ 7,657</u>	<u>\$ 112,495</u>

Continued

City of San Fernando
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2018

	Cash-in-Lieu of Parking	Pavement Management	Proposition C	Community Development Block Grant	Operating Grants
ASSETS					
Cash and Investments	\$ 433,807	\$ 13,334	\$ 370,098	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	10,000
Grants	-	-	-	233,418	28,439
Loans Receivable	-	-	-	303,686	-
Prepaid Items	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 433,807</u>	<u>\$ 13,334</u>	<u>\$ 370,098</u>	<u>\$ 537,104</u>	<u>\$ 38,439</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 38,274	\$ 232,803	\$ 10,553
Accrued Liabilities	-	-	2,177	-	3,046
Deposits	-	-	-	-	7,700
Due to Other Funds	-	-	-	615	48,105
Due to Other Agencies	-	-	-	303,686	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>40,451</u>	<u>537,104</u>	<u>69,404</u>
DEFERRED INFLOWS					
Unavailable Revenues - Grants	-	-	-	12,255	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	433,807	13,334	329,647	-	-
Air Pollution	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	-	-	(12,255)	(30,965)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>433,807</u>	<u>13,334</u>	<u>329,647</u>	<u>(12,255)</u>	<u>(30,965)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 433,807</u>	<u>\$ 13,334</u>	<u>\$ 370,098</u>	<u>\$ 537,104</u>	<u>\$ 38,439</u>

STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab	Capital Outlay	Total
\$ 42,990	\$ 70,071	\$ 256,689	\$ 91,169	\$ 49,752	\$ 2,099,290
-	-	-	-	-	-
-	-	-	51,898	-	78,711
-	48,747	-	-	-	69,657
-	-	-	-	-	267,170
-	-	-	-	-	303,686
-	-	-	-	-	1,896
<u>\$ 42,990</u>	<u>\$ 118,818</u>	<u>\$ 256,689</u>	<u>\$ 143,067</u>	<u>\$ 49,752</u>	<u>\$ 2,820,410</u>
\$ 38,300	\$ -	\$ -	\$ 8,825	\$ -	\$ 424,216
-	-	-	-	-	20,038
-	-	-	-	-	8,767
-	-	-	-	-	61,336
-	-	-	-	-	303,686
<u>38,300</u>	<u>-</u>	<u>-</u>	<u>8,825</u>	<u>-</u>	<u>818,043</u>
-	48,747	-	-	-	61,002
-	-	-	-	-	1,896
4,690	-	256,689	134,242	-	1,314,497
-	-	-	-	-	105,472
-	-	-	-	-	44,958
-	70,071	-	-	-	154,617
-	-	-	-	49,752	49,752
-	-	-	-	-	318,172
-	-	-	-	-	(47,999)
<u>4,690</u>	<u>70,071</u>	<u>256,689</u>	<u>134,242</u>	<u>49,752</u>	<u>1,941,365</u>
<u>\$ 42,990</u>	<u>\$ 118,818</u>	<u>\$ 256,689</u>	<u>\$ 143,067</u>	<u>\$ 49,752</u>	<u>\$ 2,820,410</u>

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2018

	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety	Parking Maintenance and Operations	Local Transportation
REVENUES					
Taxes	\$ 457,621	\$ -	\$ -	\$ 62,170	\$ -
Charges for Services	27,829	-	-	136,571	-
Fines and Forfeitures	-	-	10,221	-	-
Investment Earnings	806	53	-	23,800	-
Intergovernmental	-	-	-	-	5,313
Other	-	-	-	-	-
Total Revenues	<u>486,256</u>	<u>53</u>	<u>10,221</u>	<u>222,541</u>	<u>5,313</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	496,383	-	-	146,137	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	43,994	5,314
Total Expenditures	<u>496,383</u>	<u>-</u>	<u>-</u>	<u>190,131</u>	<u>5,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,127)</u>	<u>53</u>	<u>10,221</u>	<u>32,410</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(15,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(10,127)	53	(4,779)	32,410	(1)
Fund Balances, Beginning of Year	<u>65,047</u>	<u>20,633</u>	<u>-</u>	<u>285,762</u>	<u>1</u>
Fund Balances, End of Year	<u>\$ 54,920</u>	<u>\$ 20,686</u>	<u>\$ (4,779)</u>	<u>\$ 318,172</u>	<u>\$ -</u>

Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax	Federal Asset Forfeiture	AQMD
\$ -	\$ -	\$ 334,733	\$ -	\$ -	\$ -	\$ -
181,076	-	-	-	-	-	-
-	-	-	23	-	-	-
-	-	-	-	-	113	252
-	-	-	-	518,601	-	31,276
-	-	-	-	-	-	-
181,076	-	334,733	23	518,601	113	31,528
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	377,531	-	281,611	-	-
175,020	-	-	-	-	-	-
387	3,525	-	31,889	-	28,270	57,130
175,407	3,525	377,531	31,889	281,611	28,270	57,130
5,669	(3,525)	(42,798)	(31,866)	236,990	(28,157)	(25,602)
-	-	50,000	-	-	-	-
-	-	-	-	(184,234)	-	-
-	-	50,000	-	(184,234)	-	-
5,669	(3,525)	7,202	(31,866)	52,756	(28,157)	(25,602)
41,185	3,525	32,569	68,984	13,726	35,814	131,074
\$ 46,854	\$ -	\$ 39,771	\$ 37,118	\$ 66,482	\$ 7,657	\$ 105,472

Continued

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2018

	Cash-in-Lieu of Parking	Pavement Management	Proposition C	Community Development Block Grant	Operating Grants
REVENUES					
Taxes	\$ -	\$ -	\$ 379,267	\$ -	\$ -
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	6,477	34	(167)	-	-
Intergovernmental	-	-	-	508,332	213,694
Other	155,658	-	-	-	-
Total Revenues	162,135	34	379,100	508,332	213,694
EXPENDITURES					
Current:					
General Government	-	-	-	-	12,205
Public Safety	-	-	-	-	87,753
Public Works	-	-	178,834	30,481	24,496
Parks and Recreation	-	-	-	-	81,201
Capital Outlay	-	-	36,450	226,353	-
Total Expenditures	-	-	215,284	256,834	205,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,135	34	163,816	251,498	8,039
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	162,135	34	163,816	251,498	8,039
Fund Balances, Beginning of Year	271,672	13,300	165,831	(263,753)	(39,004)
Fund Balances, End of Year	\$ 433,807	\$ 13,334	\$ 329,647	\$ (12,255)	\$ (30,965)

STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab	Capital Outlay	Total
\$ -	\$ -	\$ 257,645	\$ -	\$ -	\$ 1,491,436
-	-	-	-	-	345,476
-	-	-	-	-	10,244
2,686	122	(956)	(410)	-	32,810
-	139,417	-	143,477	-	1,560,110
-	-	-	-	-	155,658
<u>2,686</u>	<u>139,539</u>	<u>256,689</u>	<u>143,067</u>	<u>-</u>	<u>3,595,734</u>
-	-	-	-	-	12,205
-	-	-	-	-	87,753
6,265	-	-	-	-	1,541,738
-	-	-	-	-	256,221
<u>419,136</u>	<u>-</u>	<u>-</u>	<u>8,825</u>	<u>-</u>	<u>861,273</u>
<u>425,401</u>	<u>-</u>	<u>-</u>	<u>8,825</u>	<u>-</u>	<u>2,759,190</u>
<u>(422,715)</u>	<u>139,539</u>	<u>256,689</u>	<u>134,242</u>	<u>-</u>	<u>836,544</u>
-	-	-	-	-	50,000
<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(299,234)</u>
<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(249,234)</u>
(422,715)	39,539	256,689	134,242	-	587,310
<u>427,405</u>	<u>30,532</u>	<u>-</u>	<u>-</u>	<u>49,752</u>	<u>1,354,055</u>
<u>\$ 4,690</u>	<u>\$ 70,071</u>	<u>\$ 256,689</u>	<u>\$ 134,242</u>	<u>\$ 49,752</u>	<u>\$ 1,941,365</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, 2018

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 460,000	\$ 457,621	\$ (2,379)
Charges for Services	28,000	27,829	(171)
Investment Earnings	-	806	806
	<u>488,000</u>	<u>486,256</u>	<u>(1,744)</u>
EXPENDITURES			
Current:			
Public Works	513,455	496,383	17,072
	<u>513,455</u>	<u>496,383</u>	<u>17,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,455)</u>	<u>(10,127)</u>	<u>15,328</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(25,455)	(10,127)	15,328
Fund Balance, Beginning of Year	65,047	65,047	-
Fund Balance, End of Year	<u>\$ 39,592</u>	<u>\$ 54,920</u>	<u>\$ 15,328</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Discretionary Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 53	\$ 53
Intergovernmental	<u>775,000</u>	<u>-</u>	<u>(775,000)</u>
Total Revenues	<u>775,000</u>	<u>53</u>	<u>(774,947)</u>
EXPENDITURES			
Capital Outlay	<u>775,000</u>	<u>-</u>	<u>775,000</u>
Total Expenditures	<u>775,000</u>	<u>-</u>	<u>775,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	53	53
Fund Balance, Beginning of Year	<u>20,633</u>	<u>20,633</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 20,633</u></u>	<u><u>\$ 20,686</u></u>	<u><u>\$ 53</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Fines and Forfeitures	\$ 15,000	\$ 10,221	\$ (4,779)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>15,000</u>	<u>10,221</u>	<u>(4,779)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,000</u>	<u>10,221</u>	<u>(4,779)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balances	-	(4,779)	(4,779)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ (4,779)</u></u>	<u><u>\$ (4,779)</u></u>

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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 40,000	\$ 62,170	\$ 22,170
Charges for Services	130,000	136,571	6,571
Investment Earnings	12,800	23,800	11,000
	<u>182,800</u>	<u>222,541</u>	<u>39,741</u>
EXPENDITURES			
Current:			
Public Works	135,325	146,137	(10,812)
Capital Outlay	250,000	43,994	206,006
	<u>385,325</u>	<u>190,131</u>	<u>195,194</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(202,525)</u>	<u>32,410</u>	<u>234,935</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(202,525)	32,410	234,935
Fund Balance, Beginning of Year	<u>285,762</u>	<u>285,762</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 83,237</u></u>	<u><u>\$ 318,172</u></u>	<u><u>\$ 234,935</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	<u>19,600</u>	<u>5,313</u>	<u>(14,287)</u>
Total Revenues	<u>19,600</u>	<u>5,313</u>	<u>(14,287)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>19,600</u>	<u>5,314</u>	<u>14,286</u>
Total Expenditures	<u>19,600</u>	<u>5,314</u>	<u>14,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1)</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(1)	(1)
Fund Balance, Beginning of Year	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Charges for Services	\$ 166,366	\$ 181,076	\$ 14,710
Total Revenues	<u>166,366</u>	<u>181,076</u>	<u>14,710</u>
EXPENDITURES			
Current:			
Parks and Recreation	168,403	175,020	(6,617)
Capital Outlay	<u>7,000</u>	<u>387</u>	<u>6,613</u>
Total Expenditures	<u>175,403</u>	<u>175,407</u>	<u>(4)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,037)</u>	<u>5,669</u>	<u>14,706</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,037)	5,669	14,706
Fund Balance, Beginning of Year	<u>41,185</u>	<u>41,185</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 32,148</u></u>	<u><u>\$ 46,854</u></u>	<u><u>\$ 14,706</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Quimby Act Fees Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Parks and Recreation	-	-	-
Capital Outlay	<u>3,525</u>	<u>3,525</u>	<u>-</u>
Total Expenditures	<u>3,525</u>	<u>3,525</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(3,525)	(3,525)	-
Fund Balance, Beginning of Year	<u>3,525</u>	<u>3,525</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 - Street Lighting Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 347,000	\$ 334,733	\$ (12,267)
Total Revenues	<u>347,000</u>	<u>334,733</u>	<u>(12,267)</u>
EXPENDITURES			
Current:			
Public Works	417,940	377,531	40,409
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>417,940</u>	<u>377,531</u>	<u>40,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(70,940)</u>	<u>(42,798)</u>	<u>28,142</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balances	(20,940)	7,202	28,142
Fund Balance, Beginning of Year	<u>32,569</u>	<u>32,569</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 11,629</u></u>	<u><u>\$ 39,771</u></u>	<u><u>\$ 28,142</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and Forfeitures	\$ -	\$ 23	\$ 23
Total Revenues	<u>-</u>	<u>23</u>	<u>23</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Capital Outlay	<u>31,890</u>	<u>31,889</u>	<u>1</u>
Total Expenditures	<u>31,890</u>	<u>31,889</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,890)</u>	<u>(31,866)</u>	<u>24</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	(31,890)	(31,866)	24
Fund Balance, Beginning of Year	<u>68,984</u>	<u>68,984</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 37,094</u></u>	<u><u>\$ 37,118</u></u>	<u><u>\$ 24</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Gas Tax Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	<u>550,016</u>	<u>518,601</u>	<u>(31,415)</u>
Total Revenues	<u>550,016</u>	<u>518,601</u>	<u>(31,415)</u>
EXPENDITURES			
Current:			
Public Works	278,750	281,611	(2,861)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>278,750</u>	<u>281,611</u>	<u>(2,861)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>271,266</u>	<u>236,990</u>	<u>(34,276)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>(184,234)</u>	<u>(184,234)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(184,234)</u>	<u>(184,234)</u>	<u>-</u>
Net Change in Fund Balances	87,032	52,756	(34,276)
Fund Balance, Beginning of Year	<u>13,726</u>	<u>13,726</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 100,758</u></u>	<u><u>\$ 66,482</u></u>	<u><u>\$ (34,276)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Federal Asset Forfeiture Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	<u>-</u>	<u>113</u>	<u>113</u>
Total Revenues	<u>-</u>	<u>113</u>	<u>113</u>
EXPENDITURES			
Capital Outlay	<u>29,643</u>	<u>28,270</u>	<u>1,373</u>
Total Expenditures	<u>29,643</u>	<u>28,270</u>	<u>1,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,643)</u>	<u>(28,157)</u>	<u>1,486</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	(29,643)	(28,157)	1,486
Fund Balance, Beginning of Year	<u>35,814</u>	<u>35,814</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,171</u></u>	<u><u>\$ 7,657</u></u>	<u><u>\$ 1,486</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - AQMD Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 252	\$ 252
Intergovernmental	30,000	31,276	1,276
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>30,000</u>	<u>31,528</u>	<u>1,528</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>134,574</u>	<u>57,130</u>	<u>77,444</u>
Total Expenditures	<u>134,574</u>	<u>57,130</u>	<u>77,444</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(104,574)</u>	<u>(25,602)</u>	<u>78,972</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	(104,574)	(25,602)	78,972
Fund Balance, Beginning of Year	<u>131,074</u>	<u>131,074</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 26,500</u></u>	<u><u>\$ 105,472</u></u>	<u><u>\$ 78,972</u></u>

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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 6,477	\$ 6,477
Other	-	155,658	155,658
	<u>-</u>	<u>155,658</u>	<u>155,658</u>
Total Revenues	<u>-</u>	<u>162,135</u>	<u>162,135</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	-	162,135	162,135
Fund Balance, Beginning of Year	<u>271,672</u>	<u>271,672</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 271,672</u></u>	<u><u>\$ 433,807</u></u>	<u><u>\$ 162,135</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, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 34	\$ 34
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>34</u>	<u>34</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>34</u>	<u>34</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	34	34
Fund Balance, Beginning of Year	<u>13,300</u>	<u>13,300</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 13,300</u></u>	<u><u>\$ 13,334</u></u>	<u><u>\$ 34</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 385,000	\$ 379,267	\$ (5,733)
Investment Earnings	<u>-</u>	<u>(167)</u>	<u>(167)</u>
Total Revenues	<u>385,000</u>	<u>379,100</u>	<u>(5,900)</u>
EXPENDITURES			
Current:			
Public Works	331,111	178,834	152,277
Capital Outlay	<u>45,000</u>	<u>36,450</u>	<u>8,550</u>
Total Expenditures	<u>376,111</u>	<u>215,284</u>	<u>160,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,889</u>	<u>163,816</u>	<u>154,927</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8,889	163,816	154,927
Fund Balance, Beginning of Year	<u>165,831</u>	<u>165,831</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 174,720</u></u>	<u><u>\$ 329,647</u></u>	<u><u>\$ 154,927</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Block Grant Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Intergovernmental	\$ 470,759	\$ 508,332	\$ 37,573
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>470,759</u>	<u>508,332</u>	<u>37,573</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Public Works	25,665	30,481	(4,816)
Capital Outlay	292,520	226,353	66,167
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>318,185</u>	<u>256,834</u>	<u>61,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>152,574</u>	<u>251,498</u>	<u>98,924</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	152,574	251,498	98,924
Fund Balance, Beginning of Year	<u>(263,753)</u>	<u>(263,753)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (111,179)</u></u>	<u><u>\$ (12,255)</u></u>	<u><u>\$ 98,924</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Operating Grants Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	233,402	213,694	(19,708)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>233,402</u>	<u>213,694</u>	<u>(19,708)</u>
EXPENDITURES			
Current:			
General Government	25,000	12,205	12,795
Public Safety	43,202	87,753	(44,551)
Public Works	42,094	24,496	17,598
Parks and Recreation	<u>165,200</u>	<u>81,201</u>	<u>83,999</u>
Total Expenditures	<u>275,496</u>	<u>205,655</u>	<u>69,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,094)</u>	<u>8,039</u>	<u>50,133</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	(42,094)	8,039	50,133
Fund Balance, Beginning of Year	<u>(39,004)</u>	<u>(39,004)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (81,098)</u></u>	<u><u>\$ (30,965)</u></u>	<u><u>\$ 50,133</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - STP Local Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 2,686	\$ 2,686
Intergovernmental	425,401	-	(425,401)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>425,401</u>	<u>2,686</u>	<u>(422,715)</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	6,265	6,265	-
Capital Outlay	<u>419,136</u>	<u>419,136</u>	<u>-</u>
Total Expenditures	<u>425,401</u>	<u>425,401</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(422,715)</u>	<u>(422,715)</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	-	(422,715)	(422,715)
Fund Balance, Beginning of Year	<u>427,405</u>	<u>427,405</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 427,405</u></u>	<u><u>\$ 4,690</u></u>	<u><u>\$ (422,715)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SLESF Local Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 122	\$ 122
Intergovernmental	100,000	139,417	39,417
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>100,000</u>	<u>139,539</u>	<u>39,539</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	<u>100,000</u>	<u>139,539</u>	<u>39,539</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	-	39,539	39,539
Fund Balance, Beginning of Year	<u>30,532</u>	<u>30,532</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 30,532</u></u>	<u><u>\$ 70,071</u></u>	<u><u>\$ 39,539</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure M Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 305,617	\$ 257,645	\$ (47,972)
Investment Earnings	-	(956)	(956)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>305,617</u>	<u>256,689</u>	<u>(48,928)</u>
EXPENDITURES			
Current:			
Public Works	<u>193,844</u>	<u>-</u>	<u>193,844</u>
Total Expenditures	<u>193,844</u>	<u>-</u>	<u>193,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>111,773</u>	<u>256,689</u>	<u>144,916</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	111,773	256,689	144,916
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 111,773</u></u>	<u><u>\$ 256,689</u></u>	<u><u>\$ 144,916</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Outlay Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</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	-	-	-
Fund Balance, Beginning of Year	49,752	49,752	-
	<u>49,752</u>	<u>49,752</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 49,752</u>	<u>\$ 49,752</u>	<u>\$ -</u>

NONMAJOR ENTERPRISE FUNDS

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Road Maintenance & Rehab Fund
Year Ended June 30, 2018

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment Earnings	-	(410)	(410)
Intergovernmental	141,475	143,477	2,002
 Total Revenues	 141,475	 143,067	 1,592
EXPENDITURES			
Capital Outlay	141,475	8,825	132,650
 Total Expenditures	 141,475	 8,825	 132,650
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 -	 134,242	 134,242
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
 Total Other Financing Sources (Uses)	 -	 -	 -
 Net Change in Fund Balances	 -	 134,242	 134,242
 Fund Balance, Beginning of Year	 -	 -	 -
 Fund Balance, End of Year	 \$ -	 \$ 134,242	 \$ 134,242

City of San Fernando
Nonmajor Enterprise Funds
June 30, 2018

Compressed Natural Gas Fund - This fund is used to account for, track, and manage the operations of a publicly accessible CNG fueling station.

Waste Disposal Fund - This fund is used to account for the collection of solid waste from all residential utility accounts within the City. As of February 2014, solid waste collection, disposal, and billing services are provided through an exclusive franchise agreement with a private waste disposal company.

City of San Fernando
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2018

	<u>Compressed Natural Gas</u>	<u>Waste Disposal</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 44,108	\$ 28,794	\$ 72,902
Accounts Receivable	-	12,936	12,936
Total Current Assets	<u>44,108</u>	<u>41,730</u>	<u>85,838</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	-	53,657	53,657
Accumulated Depreciation	-	(40,631)	(40,631)
Total Noncurrent Assets	<u>-</u>	<u>13,026</u>	<u>13,026</u>
Total Assets	<u>44,108</u>	<u>54,756</u>	<u>98,864</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	898	-	898
Accrued Liabilities	-	-	-
Total Current Liabilities	<u>898</u>	<u>-</u>	<u>898</u>
NET POSITION			
Net Investment In Capital Assets	-	13,026	13,026
Unrestricted	43,210	41,730	84,940
Total Net Position	<u>\$ 43,210</u>	<u>\$ 54,756</u>	<u>\$ 97,966</u>

City of San Fernando
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2018

	Compressed Natural Gas	Waste Disposal	Totals
OPERATING REVENUES			
Charges for Services	\$ 56,781	\$ -	\$ 56,781
Other	11,686	16,994	28,680
	<u>68,467</u>	<u>16,994</u>	<u>85,461</u>
OPERATING EXPENSES			
Administration and General	2,231	-	2,231
Maintenance and Operations	40,594	3,257	43,851
Depreciation	-	2,641	2,641
	<u>42,825</u>	<u>5,898</u>	<u>48,723</u>
Total Operating Expenses	<u>42,825</u>	<u>5,898</u>	<u>48,723</u>
Operating Income (Loss)	<u>25,642</u>	<u>11,096</u>	<u>36,738</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	<u>(25)</u>	<u>21</u>	<u>(4)</u>
Total Nonoperating Revenues (Expenses)	<u>(25)</u>	<u>21</u>	<u>(4)</u>
Income (Loss) Before Transfers	25,617	11,117	36,734
Transfers In	17,593	-	17,593
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	43,210	11,117	54,327
Net Position, Beginning of Year	<u>-</u>	<u>43,639</u>	<u>43,639</u>
Net Position, End of Year	<u><u>\$ 43,210</u></u>	<u><u>\$ 54,756</u></u>	<u><u>\$ 97,966</u></u>

City of San Fernando
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2018

	Compressed Natural Gas	Waste Disposal	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 56,781	\$ -	\$ 56,781
Payments to Suppliers and Contractors	(39,696)	(5,040)	(44,736)
Payments to Employees	(2,231)	-	(2,231)
Other Operating Income	11,686	13,146	24,832
Net Cash from Operating Activities	26,540	8,106	34,646
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	17,593	-	17,593
Transfers to Other Funds	-	-	-
Net Cash from Noncapital Financing Activities	17,593	-	17,593
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	(25)	21	(4)
Net Increase (Decrease) in Cash	44,108	8,127	52,235
Cash and Cash Equivalents - Beginning of Year		20,667	20,667
Cash and Cash Equivalents - End of Year	<u>\$ 44,108</u>	<u>\$ 28,794</u>	<u>\$ 72,902</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	\$ 25,642	\$ 11,096	\$ 36,738
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	2,641	2,641
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(3,848)	(3,848)
(Increase) Decrease in Inventory	-	-	-
Increase (Decrease) in Accounts Payable	898	(1,783)	(885)
Increase (Decrease) in Accrued Liabilities	-	-	-
Net Cash Provided by Operating Activities	<u>\$ 26,540</u>	<u>\$ 8,106</u>	<u>\$ 34,646</u>

INTERNAL SERVICE FUNDS

City of San Fernando
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 592,142	\$ 302,416	\$ 1,090,509	\$ 1,985,067
Accounts Receivable	-	-	26,500	26,500
Inventory	40,814	-	-	40,814
Total Current Assets	<u>632,956</u>	<u>302,416</u>	<u>1,117,009</u>	<u>2,052,381</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	49,862	135,715	95,748	281,325
Accrued Liabilities	5,414	7,417	-	12,831
Insurance Assessment Payable - Current	-	-	81,057	81,057
Claims Payable - Current	-	-	564,000	564,000
Total Current Liabilities	<u>55,276</u>	<u>143,132</u>	<u>740,805</u>	<u>939,213</u>
Noncurrent Liabilities:				
Insurance Assessment Payable	-	-	648,456	648,456
Claims Payable	-	-	1,751,000	1,751,000
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>2,399,456</u>	<u>2,399,456</u>
Total Liabilities	<u>55,276</u>	<u>143,132</u>	<u>3,140,261</u>	<u>3,338,669</u>
NET POSITION				
Unrestricted	577,680	159,284	(2,023,252)	(1,286,288)
Total Net Position	<u>\$ 577,680</u>	<u>\$ 159,284</u>	<u>\$ (2,023,252)</u>	<u>\$ (1,286,288)</u>

City of San Fernando
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2018

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
OPERATING REVENUES				
Charges for Services	\$ 693,790	\$ 1,360,057	\$ 1,116,539	\$ 3,170,386
Other	175,976	-	865,001	1,040,977
Total Operating Revenues	869,766	1,360,057	1,981,540	4,211,363
OPERATING EXPENSES				
Administration and General	321,719	921,957	952,341	2,196,017
Maintenance and Operations	390,882	310,784	-	701,666
Claims	-	-	(175,046)	(175,046)
Total Operating Expenses	712,601	1,232,741	777,295	2,722,637
Operating Income (Loss)	157,165	127,316	1,204,245	1,488,726
NONOPERATING REVENUES (EXPENSES)				
Interest Income	-	-	-	-
Interest Expense	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-	-
Income (Loss) Before Transfers	157,165	127,316	1,204,245	1,488,726
Transfers In	130,000	-	60,000	190,000
Transfers Out	(17,593)	-	-	(17,593)
Change in Net Position	269,572	127,316	1,264,245	1,661,133
Net Position, Beginning of Year	308,108	31,968	(3,287,497)	(2,947,421)
Net Position, End of Year	\$ 577,680	\$ 159,284	\$ (2,023,252)	\$ (1,286,288)

City of San Fernando
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2018

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Interfund Services Provided	\$ 695,398	\$ 1,360,057	\$ 1,121,362	\$ 3,176,817
Cash Paid to Suppliers for Goods and Services	(366,834)	(741,542)	(1,163,926)	(2,272,302)
Cash Paid to Employees	(319,165)	(436,318)	-	(755,483)
Claims Paid	-	-	(876,954)	(876,954)
Other Operating Income	175,976	-	865,001	1,040,977
Net Cash from Operating Activities	185,375	182,197	(54,517)	313,055
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	130,000	-	60,000	190,000
Transfers to Other Funds	(17,593)	-	-	(17,593)
Net Cash from Noncapital Financing Activities	112,407	-	60,000	172,407
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	-	-	-
Net Increase (Decrease) in Cash	297,782	182,197	5,483	485,462
Cash and Cash Equivalents - Beginning of Year	294,360	120,219	1,085,026	1,499,605
Cash and Cash Equivalents - End of Year	<u>\$ 592,142</u>	<u>\$ 302,416</u>	<u>\$ 1,090,509</u>	<u>\$ 1,985,067</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	\$ 157,165	\$ 127,316	\$ 1,204,245	\$ 1,488,726
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	1,608	-	4,823	6,431
(Increase) Decrease in Inventory	(2,155)	-	-	(2,155)
Increase (Decrease) in Accounts Payable	26,203	51,770	(130,528)	(52,555)
Increase (Decrease) in Accrued Liabilities	2,554	3,111	-	5,665
Increase (Decrease) in Insurance Payable	-	-	(81,057)	(81,057)
Increase (Decrease) in Claims Payable	-	-	(1,052,000)	(1,052,000)
Net Cash from Operating Activities	<u>\$ 185,375</u>	<u>\$ 182,197</u>	<u>\$ (54,517)</u>	<u>\$ 313,055</u>

City of San Fernando
Fiduciary Fund
June 30, 2018

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, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 101,563	\$ 237,085	\$ 223,276	\$ 115,372
Accounts Receivable	-	585	-	585
	<u>-</u>	<u>585</u>	<u>-</u>	<u>585</u>
Total Assets	<u>\$ 101,563</u>	<u>\$ 237,670</u>	<u>\$ 223,276</u>	<u>\$ 115,957</u>
LIABILITIES				
Accounts Payable	\$ 9,151	\$ 228,393	\$ 221,825	\$ 15,719
Deposits	92,412	237,384	229,558	100,238
	<u>92,412</u>	<u>237,384</u>	<u>229,558</u>	<u>100,238</u>
Total Liabilities	<u>\$ 101,563</u>	<u>\$ 465,777</u>	<u>\$ 451,383</u>	<u>\$ 115,957</u>

SECTION III.

Statistical Section

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City of San Fernando
Description of Statistical Section Contents
June 30, 2018

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	118
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	128
<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	137
<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	142
<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	146

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

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
Net investment in capital assets	\$ 42,804,903	\$ 42,262,518	\$ 43,598,683	\$ 50,993,498
Restricted	14,329,955	14,364,410	13,040,082	2,533,805
Unrestricted	(14,751,986)	(17,503,004)	(19,365,287)	(14,057,614)
Total governmental activities net position	<u>\$ 42,382,872</u>	<u>\$ 39,123,924</u>	<u>\$ 37,273,478</u>	<u>\$ 39,469,689</u>
Business-type activities:				
Net investment in capital assets	\$ 16,267,470	\$ 15,547,758	\$ 15,324,618	\$ 14,811,543
Restricted	-	-	-	-
Unrestricted	7,920,801	7,206,906	7,733,239	7,887,577
Total business-type activities net position	<u>\$ 24,188,271</u>	<u>\$ 22,754,664</u>	<u>\$ 23,057,857</u>	<u>\$ 22,699,120</u>
Primary government:				
Net investment in capital assets	\$ 59,072,373	\$ 57,810,276	\$ 58,923,301	\$ 65,805,041
Restricted	14,329,955	14,364,410	13,040,082	2,533,805
Unrestricted	(6,831,185)	(10,296,098)	(11,632,048)	(6,170,037)
Total primary government net position	<u>\$ 66,571,143</u>	<u>\$ 61,878,588</u>	<u>\$ 60,331,335</u>	<u>\$ 62,168,809</u>

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 49,532,007	\$ 47,859,172	\$ 45,956,739	\$ 44,313,624	\$ 41,001,890	\$ 42,239,084
1,802,498	11,909,107	5,887,197	5,926,880	5,847,710	17,998,631
(16,643,447)	(20,208,301)	(40,687,419)	(39,587,196)	(32,938,991)	(66,465,286)
<u>\$ 34,691,058</u>	<u>\$ 39,559,978</u>	<u>\$ 11,156,517</u>	<u>\$ 10,653,308</u>	<u>\$ 13,910,609</u>	<u>\$ (6,227,571)</u>
\$ 14,420,860	\$ 14,866,478	\$ 14,634,533	\$ 14,592,937	\$ 14,515,239	\$ 14,079,295
-	-	-	-	-	-
8,492,168	8,626,377	8,157,375	7,404,904	3,639,086	(3,091,126)
<u>\$ 22,913,028</u>	<u>\$ 23,492,855</u>	<u>\$ 22,791,908</u>	<u>\$ 21,997,841</u>	<u>\$ 18,154,325</u>	<u>\$ 10,988,169</u>
\$ 63,952,867	\$ 62,725,650	\$ 60,591,272	\$ 58,906,561	\$ 55,517,129	\$ 56,318,379
1,802,498	11,909,107	5,887,197	5,926,880	5,847,710	17,998,631
(8,151,279)	(11,581,924)	(32,530,044)	(32,182,292)	(29,299,905)	(69,556,412)
<u>\$ 57,604,086</u>	<u>\$ 63,052,833</u>	<u>\$ 33,948,425</u>	<u>\$ 32,651,149</u>	<u>\$ 32,064,934</u>	<u>\$ 4,760,598</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Expenses:				
Governmental activities:				
General government	\$ 7,343,319	\$ 8,393,942	\$ 9,051,209	\$ 6,397,275
Public safety	10,101,285	9,917,154	10,137,119	10,346,561
Community development	3,220,792	5,547,132	3,658,552	1,944,293
Public works	6,102,140	5,591,332	4,960,530	5,423,605
Parks and recreation	3,745,511	2,960,683	2,375,034	2,145,767
Interest on long-term debt	963,737	1,141,113	1,092,731	509,971
Total governmental activities expenses	31,476,784	33,551,356	31,275,175	26,767,472
Business-type activities:				
Water	3,183,923	3,282,758	3,227,843	3,248,148
Sewer	2,731,323	2,614,749	1,867,044	2,445,675
Compressed Natural Gas	-	-	-	-
Waste disposal	1,125,434	1,098,303	1,077,641	1,027,810
Total business-type activities expenses	7,040,680	6,995,810	6,172,528	6,721,633
Total primary government expenses	38,517,464	40,547,166	37,447,703	33,489,105
Program revenues:				
Governmental activities:				
Charges for services:				
General government	2,455,039	2,698,964	2,503,993	584,356
Public safety	1,710,327	1,642,838	1,583,487	1,359,010
Community development	334,666	425,299	581,323	413,067
Public works	916,211	975,160	903,323	565,723
Parks and recreation	878,659	871,337	526,198	458,090
Operating grants and contributions	3,425,677	3,287,154	4,432,649	3,197,798
Capital grants and contributions	2,063,580	1,094,301	1,896,595	930,527
Total governmental activities program revenues	11,784,159	10,995,053	12,427,568	7,508,571
Business-type activities:				
Charges for services:				
Water	2,795,599	2,737,198	3,064,458	2,769,412
Sewer	2,562,997	2,367,243	2,383,329	2,580,623
Compressed Natural Gas	-	-	-	-
Waste disposal	1,097,873	1,110,869	1,125,037	1,122,709
Total business-type activities program revenues	6,456,469	6,215,310	6,572,824	6,472,744
Total primary government program revenues	18,240,628	17,210,363	19,000,392	13,981,315
Net revenues (expenses):				
Governmental activities	(19,692,625)	(22,556,303)	(18,847,607)	(19,258,901)
Business-type activities	(584,211)	(780,500)	400,296	(248,889)
Total net revenues (expenses)	(20,276,836)	(23,336,803)	(18,447,311)	(19,507,790)

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 6,459,914	\$ 4,619,200	\$ 4,935,760	\$ 7,744,559	\$ 4,769,539	\$ 5,003,034
9,414,862	10,190,441	10,731,526	10,122,343	13,881,037	13,046,118
999,751	981,236	988,973	1,358,166	1,349,334	1,275,585
5,503,387	6,052,317	7,017,740	5,380,601	5,306,102	4,966,748
2,224,370	1,781,749	1,740,259	1,963,627	1,926,959	1,735,878
72,425	58,565	170,118	56,803	120,506	128,661
24,674,709	23,683,508	25,584,376	26,626,099	27,353,477	26,156,024
3,172,962	2,981,710	3,204,499	3,260,071	3,692,438	3,389,704
2,802,013	2,893,127	2,491,408	4,556,154	3,651,883	4,458,457
-	-	-	-	-	42,825
1,021,804	827,986	16,734	27,550	92,446	5,898
6,996,779	6,702,823	5,712,641	7,843,775	7,436,767	7,896,884
31,671,488	30,386,331	31,297,017	34,469,874	34,790,244	34,052,908
513,512	820,334	758,286	647,141	583,386	595,511
1,553,828	1,538,619	1,407,121	2,367,700	1,235,131	1,243,148
295,199	431,884	412,683	339,593	380,342	400,844
757,265	912,209	763,728	414,979	438,527	423,286
576,507	564,742	397,055	254,491	475,553	445,635
3,139,513	2,851,032	3,386,430	2,409,666	2,272,862	3,032,809
719,000	1,204,330	704,193	1,042,672	1,732,169	1,910,721
7,554,824	8,323,150	7,829,496	7,476,242	7,117,970	8,051,954
3,291,272	3,806,797	3,849,880	3,813,635	4,274,122	4,411,292
2,892,407	3,326,587	3,401,436	3,336,251	3,368,071	3,435,103
-	-	-	-	-	68,467
1,131,929	858,516	-	6,651	12,984	16,994
7,315,608	7,991,900	7,251,316	7,156,537	7,655,177	7,931,856
14,870,432	16,315,050	15,080,812	14,632,779	14,773,147	15,983,810
(17,119,885)	(15,360,358)	(17,754,880)	(19,149,857)	(20,235,507)	(18,104,070)
318,829	1,289,077	1,538,675	(687,238)	218,410	34,972
(16,801,056)	(14,071,281)	(16,216,205)	(19,837,095)	(20,017,097)	(18,069,098)

(Continued)

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

	Fiscal Year			
	2009	2010	2011	2012
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property	\$ 12,976,749	\$ 13,101,490	\$ 12,596,288	\$ 10,198,997
Sales and use	2,599,450	2,478,957	2,323,994	2,380,675
Property taxes in lieu of sales and use taxes	998,834	927,430	596,449	603,373
Business license taxes	-	-	-	1,082,584
Franchise	418,974	341,642	333,522	307,119
Other taxes	-	-	-	1,002,816
Intergovernmental, unrestricted	85,783	74,236	115,898	264,443
Investment income	108,972	264,448	244,419	918
Gain on sale of property	-	-	298,411	120,000
Other	892,153	1,014,000	1,467,179	562,404
Transfers	222,623	340,902	121,000	121,000
Extraordinary gain	-	-	-	4,810,783
Total governmental activities	<u>18,303,538</u>	<u>18,543,105</u>	<u>18,097,160</u>	<u>21,455,112</u>
Business-type activities:				
Investment income	197,462	45,256	23,897	11,152
Other	-	-	-	-
Transfers	(222,623)	(340,902)	(121,000)	(121,000)
Total business-type activities	<u>(25,161)</u>	<u>(295,646)</u>	<u>(97,103)</u>	<u>(109,848)</u>
Total primary government	<u>18,278,377</u>	<u>18,247,459</u>	<u>18,000,057</u>	<u>21,345,264</u>
Changes in net position:				
Governmental activities	(1,389,087)	(4,013,198)	(750,447)	2,196,211
Business-type activities	(609,372)	(1,076,146)	303,193	(358,737)
Total primary government	<u>\$ (1,998,459)</u>	<u>\$ (5,089,344)</u>	<u>\$ (447,254)</u>	<u>\$ 1,837,474</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.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 6,650,806	\$ 8,406,309	\$ 7,871,457	\$ 8,739,138	\$ 8,867,169	\$ 8,970,624 (1)
2,637,297	4,175,825	5,313,426	6,437,739	7,911,392	7,984,731
867,581	963,741	1,022,777	962,590	-	-
1,031,924	1,043,365	1,114,416	1,184,994	1,483,606	1,629,779 (1)
297,319	409,176	613,793	636,652	636,457	663,381
357,190	374,933	315,247	334,419	350,636	371,835 (1)
-	-	-	-	-	-
1,530	16,790	50,748	72,181	102,733	122,016
-	-	1,033,066	-	-	-
376,607	573,853	43,010	107,561	48,101	192,512
121,000	4,265,286	187,688	181,000	180,000	162,407
-	-	-	-	-	- (2)
12,341,254	20,229,278	17,565,628	18,656,274	19,580,094	20,097,285
16,079	10,458	17,287	64,545	30,788	39,486
-	-	-	-	-	-
(121,000)	(719,708)	(187,688)	(181,000)	(180,000)	(162,407)
(104,921)	(709,250)	(170,401)	(116,455)	(149,212)	(122,921)
12,236,333	19,520,028	17,395,227	18,539,819	19,430,882	19,974,364
(4,778,631)	4,868,920	(189,252)	(493,583)	(655,413)	1,993,215
213,908	579,827	1,368,274	(803,693)	69,198	(87,949)
\$ (4,564,723)	\$ 5,448,747	\$ 1,179,022	\$ (1,297,276)	\$ (586,215)	\$ 1,905,266

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

	Fiscal Year			
	2009	2010	2011	2012
General fund:				
Reserved	\$ 639,172	\$ 768,679	\$ -	\$ -
Unreserved	(492,513)	(666,295)	-	-
Total general fund	<u>\$ 146,659</u>	<u>\$ 102,384</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:				
Reserved	\$ 7,112,657	\$ 8,245,010	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	(422,538)	(614,082)	-	-
Debt service funds	611,990	(2,222,757)	-	-
Capital projects funds	(2,896,209)	(2,759,950)	-	-
Total all other governmental funds	<u>\$ 4,405,900</u>	<u>\$ 2,648,221</u>	<u>\$ -</u>	<u>\$ -</u>
General fund:				
Nonspendable	\$ -	\$ -	\$ 237,378	\$ 335,766
Unassigned	-	-	(856,695)	(1,572,548)
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (619,317)</u>	<u>\$ (1,236,782)</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ 5,448,274	\$ 492,395
Restricted	-	-	2,890,223	2,199,614
Unassigned	-	-	(7,022,933)	(2,508,607)
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315,564</u>	<u>\$ 183,402</u>

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

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 392,931	\$ 739,783	\$ 371,547	\$ 329,717	\$ 66,703	\$ 66,308
(2,139,983)	(6,433,688)	(4,485,592)	(3,409,964)	(1,541,792)	(274,561)
<u>\$ (1,747,052)</u>	<u>\$ (5,693,905)</u>	<u>\$ (4,114,045)</u>	<u>\$ (3,080,247)</u>	<u>\$ (1,475,089)</u>	<u>\$ (208,253)</u>
\$ 94,787	\$ 118,720	\$ -	\$ -	\$ 1,000	\$ 1,896
1,836,005	11,840,461	12,970,716	16,579,665	17,727,008	18,388,470
(164,377)	(238,284)	(86,502)	(423,525)	(480,384)	(759,477)
<u>\$ 1,766,415</u>	<u>\$ 11,720,897</u>	<u>\$ 12,884,214</u>	<u>\$ 16,156,140</u>	<u>\$ 17,247,624</u>	<u>\$ 17,630,889</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues:				
Taxes	\$ 20,136,147	\$ 18,114,573	\$ 17,433,856	\$ 14,941,249
Licenses and permits	260,071	223,748	249,754	279,825
Charges for services	2,814,217	2,876,980	2,697,601	1,508,783
Fines and forfeitures	1,268,174	1,226,322	1,183,299	888,136
Investment earnings	699,154	700,719	570,661	280,368
Intergovernmental	5,481,477	6,017,833	7,005,399	5,234,049
Sale of inventory	125,000	-	-	-
Other	1,931,944	2,177,633	2,331,930	1,013,941
Total revenues	<u>32,716,184</u>	<u>31,337,808</u>	<u>31,472,500</u>	<u>24,146,351</u>
Expenditures				
Current:				
General government	8,362,675	7,870,484	7,710,354	4,623,271
Public safety	10,620,149	10,382,127	10,556,689	9,961,760
Community development	2,033,620	1,636,343	2,364,956	1,222,182
Public works	4,383,266	3,274,845	3,085,317	3,748,331
Parks and recreation	3,731,142	2,921,263	2,332,198	2,055,715
Pass-throughs	1,367,117	1,745,906	1,712,477	1,067,046
SERAF	-	2,063,811	424,902	-
Capital outlay	1,538,552	989,588	2,835,433	-
Debt service:				
Principal	1,418,388	1,663,887	1,933,535	-
Interest and fiscal charges	771,988	932,410	870,409	378,568
Cost of issuance	-	-	-	-
Total expenditures	<u>34,226,897</u>	<u>33,480,664</u>	<u>33,826,270</u>	<u>23,056,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,510,713)</u>	<u>(2,142,856)</u>	<u>(2,353,770)</u>	<u>1,089,478</u>
Other financing sources (uses):				
Transfers in	5,468,685	6,818,161	7,603,439	3,233,411
Transfers out	(5,246,062)	(6,477,259)	(7,482,439)	(3,112,411)
Payment to/from bond escrow agent	-	-	-	-
Issuance of debt	-	-	-	-
Discount	-	-	-	-
Sale of property	-	-	178,411	245,000
Total other financing sources (uses)	<u>222,623</u>	<u>340,902</u>	<u>299,411</u>	<u>366,000</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,723,105)</u>
Net change in fund balances	<u>\$ (1,288,090)</u>	<u>\$ (1,801,954)</u>	<u>\$ (2,054,359)</u>	<u>\$ (267,627)</u>
Debt service as a percentage of noncapital expenditures	5.6%	7.9%	8.6%	1.2%

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					
2013	2014	2015	2016	2017	2018
\$ 11,120,845	\$ 14,372,140	\$ 15,890,424	\$ 18,243,024	\$ 18,814,442	\$ 19,667,257
337,085	410,512	437,765	335,010	243,960	279,620
2,714,937	2,919,857	2,403,038	2,115,806	1,282,281	1,238,793
734,210	589,571	576,778	643,927	576,710	436,941
218,923	232,404	231,535	240,049	268,368	312,908
4,467,012	4,615,312	4,636,669	3,641,035	4,543,228	5,511,368
-	-	-	-	-	-
512,402	1,013,376	402,521	423,599	383,686	526,313
20,105,414	24,153,172	24,578,730	25,642,450	26,112,675	27,973,200
4,967,021	2,398,576	2,902,267	5,915,423	4,575,208	5,085,790
9,032,340	9,811,572	10,473,341	10,988,468	10,976,722	11,746,344
791,977	775,446	779,446	1,021,757	1,093,430	1,056,819
4,034,856	4,248,932	4,675,026	3,284,258	2,890,550	2,849,581
2,134,851	1,693,085	1,649,985	1,774,799	1,730,136	1,604,650
-	-	-	-	-	-
-	-	-	-	-	-
427,999	464,855	239,126	1,291,817	2,017,716	3,755,234
268,000	384,000	1,572,692	-	65,000	80,000
72,425	58,565	170,118	27,559	147,271	134,681
-	-	-	-	-	-
21,729,469	19,835,031	22,462,001	24,304,081	23,496,033	26,313,099
(1,624,055)	4,318,141	2,116,729	1,338,369	2,616,642	1,660,101
3,338,164	11,677,345	1,520,854	628,658	424,262	469,234
(3,217,164)	(7,412,059)	(1,927,472)	(577,658)	(344,262)	(479,234)
-	-	-	-	-	-
-	-	-	2,785,000	-	-
-	-	-	131,355	-	-
-	-	1,033,066	-	-	-
121,000	4,265,286	626,448	2,967,355	80,000	(10,000)
-	-	-	-	-	-
\$ (1,503,055)	\$ 8,583,427	\$ 2,743,177	\$ 4,305,724	\$ 2,696,642	\$ 1,650,101
1.5%	2.1%	9.0%	0.1%	0.9%	1.0%

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
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	0.73694%
2014	867,056,835	274,616,719	261,395,589	32,346,933	124,425,059	-	1,559,841,135	0.39186%
2015	923,896,596	279,949,485	263,990,591	41,954,560	122,621,128	-	1,632,412,360	0.38353%
2016	957,625,272	298,635,774	274,576,052	40,631,968	114,207,014	-	1,685,676,080	0.38306%
2017	1,023,912,662	320,409,250	283,710,434	50,016,536	113,200,408	-	1,791,249,290	0.36884%
2018	1,070,024,605	328,575,573	296,848,115	46,781,682	112,403,426	-	1,854,633,401	0.36854%

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.

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

Agency	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.02212	0.02311	0.04031	0.03530	0.04875	0.04454	0.04017	0.03575	0.03596	0.04599
LA Unified School District	0.12478	0.15181	0.18695	0.16819	0.17561	0.14644	0.14688	0.12971	0.13110	0.12219
Metropolitan Water District	0.00430	0.0043	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Tax District No. 1	0.28420	0.2842	0.28420	0.28420	0.28420	0.25654	0.24832	0.24763	0.23247	0.23238
Direct and Overlapping Tax Rates ²	1.43540	1.46342	1.51516	1.49139	1.51206	1.45102	1.43887	1.41659	1.40303	1.40406
City Share of 1% Levy Per Prop 13 ³	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560
Voter Approved City Debt Rate	0.28420	0.28420	0.28420	0.28420	0.28420	0.25654	0.24832	0.24763	0.23247	0.23238
Redevelopment Rate ⁴	1.28856	1.28850	1.28790	1.28790	-	-	-	-	-	-
Total Direct Rate ⁵	0.68605	0.73077	0.73507	0.73170	0.73694	0.39186	0.38353	0.38306	0.36884	0.36854

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 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in same proportions as general fund revenue.

City of San Fernando
Principal Property Tax Payers
Top Ten Property Owners By Assessed Value
Current and Ten Years Ago

Taxpayer	2018		Taxpayer	2008	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
CPF San Fernando LLC	\$ 79,100,567	4.27%	CPF San Fernando LLC	\$ 48,280,702	3.19%
Pharmavite LLC	42,836,953	2.31%	315 Partners LLC	20,335,317	1.34%
SFVS Company LLC	22,135,360	1.19%	SFVS Company LLC	19,451,702	1.28%
Foothill HD Retail Center LLC	20,798,546	1.12%	Foothill HD Retail Center LLC	18,376,937	1.21%
Ahi Glenoaks Inc.	16,905,959	0.91%	Ahi Glenoaks Inc.	14,937,562	0.99%
San Fernando Gateway LLC	15,663,528	0.84%	San Fernando Gateway LLC	13,839,803	0.91%
315 Partners LLC	15,525,732	0.84%	San Fernando Associates	9,722,405	0.64%
YNG LLC	14,000,702	0.75%	San Fernando Valley Automotive	9,161,284	0.60%
San Fernando Associates	11,110,931	0.60%	LA Kretz Morton Trust Cross Roads	7,688,678	0.51%
San Fernando Valley Automotive LLC	9,354,732	0.50%	Whitewater Holdings LLC	7,082,241	0.47%
Total Top Ten	\$ 247,433,010	13.34%	Total Top Ten	\$ 168,876,631	11.15%
Total Property Taxes	\$ 1,854,633,401		Total Property Taxes	\$ 1,515,160,559	

Data Source: L.A. County Assessor 2017/18 and 2008/09 Combined Tax Rolls and the SBE Non Unitary Tax Roll provided by HdL, Coren and 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
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%
2015	4,093,768	5,794,276	141.54%	(1,188)	5,793,088	141.51%
2016	5,660,595	6,559,722	115.88%	(2,899)	6,556,823	115.83%
2017	5,991,659	6,616,033	110.42%	(4,283)	6,611,750	110.35%
2018	5,953,422	6,241,044	104.83%	(20,237)	6,220,807	104.49%

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 employees' 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%.

*Beginning in FY 2013, former Redevelopment Agency property tax increment is not included.

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

**City of San Fernando
Top 25 Sales Tax Producers**

For Fiscal Year 2017-18

<u>Business Name</u>	<u>Business Category</u>
Arco	Service Stations
Arroyo Building Materials	Building Materials
Cal Grove Rentals	Repair Shop/Equip. Rentals
Casco	Contractors
CCAP Auto Lease	Auto Lease
El Pollo Loco	Quick Service Restaurants
El Super	Grocery Stores
Ferguson Enterprises	Plumbing/Electrical Supplies
Ganas Auto	Used Automotive Dealers
Goodman Distribution	Contractors
Home Depot	Building Materials
IHOP	Casual Dining
McDonald's	Quick Service Restaurants
Nachos Ornamental	Contractors
Pool & Electrical Products	Plumbing/Electrical Supplies
PRG	Repair Shop/Equip. Rentals
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Sams Club	Discount Dept. Stores
Smart & Final	Grocery Stores
Southland Lighting	Plumbing/Electrical Supplies
T Mobil	Electronics/Appliance Stores
TMB Production Supplies & Servs.	Electrical Equipment
Vallarta Supermarket	Grocery Stores
Western Motor Sport	Used Automotive Dealers
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 68.13%

* Firms Listed Alphabetically

Period: April 2017 Thru March 2018

Data Source: State Board of Equalization, California Department of Taxes and Fees Administration,
State Controller's Office, The HdL Companies

**City of San Fernando
Top 25 Sales Tax Producers**

For Fiscal Year 2008-09

<u>Business Name</u>	<u>Business Category</u>
Acey Decy Lighting	Repair Shop/Equip. Rentals
All American Products	Heavy Industrial
Arco	Service Stations
Arroyo Building Materials	Building Materials
Casco	Contractors
Classics Unlimited Window & Door	Building Materials
El Pollo Loco	Quick Service Restaurants
Famsa	Home Furnishings
Food 4 Less	Grocery Stores
Goodman Distribution	Contractors
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
Jack in the Box	Quick Service Restaurants
JC Penney	Department Stores
McDonald's	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Payless Foods	Grocery Stores
Pep Boys	Automotive Supply Stores
Pool & Electrical Products	Plumbing/Electrical Supplies
Rydell Chevy Buick Pontiac GMC	New Motor Vehicle Dealers
Sams Club	Discount Dept. Stores
Southland Lighting	Plumbing/Electrical Supplies
Truman 76	Service Stations
Valu Plus	Grocery Stores
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 68.01%

* Firms Listed Alphabetically

Period: April 2008 Thru March 2009

Data Source: State Board of Equalization, California Department of Taxes and Fees Administration,
State Controller's Office, The HdL Companies

City of San Fernando
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Apparel Stores	\$ 10,245	\$ 8,583	\$ 8,689	\$ 8,892	\$ 9,728
Food Stores	11,911	11,720	11,429	11,813	13,558
Eating and Drinking Places	46,223	44,122	44,841	45,546	48,841
Building Materials	91,002	77,431	69,549	71,116	69,324
Auto Dealers and Supplies	57,791	45,696	32,826	24,752	28,719
Service Stations	12,907	11,977	14,845	17,810	19,006
Other Retail Stores	72,482	71,060	61,849	57,888	56,148
All Other Outlets	88,238	74,461	75,390	79,553	81,689
	<hr/>				
Total	\$ 390,799	\$ 345,050	\$ 319,418	\$ 317,370	\$ 327,013
	<hr/>				

Notes:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of San Fernando
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Apparel Stores	\$ 9,443	\$ 9,414	\$ 10,384	\$ 12,211	\$ 11,620
Food Stores	15,507	13,755	14,084	15,033	15,249
Eating and Drinking Places	52,068	54,563	61,028	65,454	70,852
Building Materials	86,272	90,286	96,105	102,767	114,285
Auto Dealers and Supplies	47,103	83,371	89,583	106,462	104,530
Service Stations	17,864	16,640	15,215	13,545	12,927
Other Retail Stores	54,557	57,119	63,622	64,129	64,439
All Other Outlets	87,583	100,989	113,275	125,212	127,788
	<hr/>				
Total	\$ 370,397	\$ 426,137	\$ 463,296	\$ 504,813	\$ 521,690
	<hr/>				

Data Source: State Board of Equalization, CA Dept. of Taxes and Fees Administration, State Controller's Office and The HDL Companies

**City of San Fernando
Water Customers
Current Year and Ten Years Ago**

Water Customer	2018		Water Customer	2009	
	Water Charges	Percent of Total Water Revenues		Water Charges	Percent of Total Water Revenues
Pharmavite Corporation	\$ 70,962	1.62%	Puretek Corp.	21,672	0.78%
Pharmavite Corporation	31,635	0.72%	Pharmavite Corporation	17,616	0.63%
Mission Park Apartments	25,683	0.58%	Samco Scientific Corp	14,249	0.51%
Bitman, Boris Bruce	21,636	0.49%	LA Board of Education	13,912	0.50%
LA Board of Education	16,691	0.38%	Puretek Corp	12,667	0.46%
Martin & Denise Rile	15,784	0.36%	Pharmavite Corporation	10,169	0.37%
Fresenius Medical CA	15,759	0.36%	Mission Car Wash	9,525	0.34%
LA Board of Education	15,022	0.34%	The SFVS Company LLC	9,268	0.33%
Glenoaks Village H.O.	14,963	0.34%	K.V. Mart No. 19	9,073	0.33%
Majers, Olin	14,848	0.34%	Martin & Denise Rile	9,002	0.32%
Total Top Ten	\$ 242,983	5.53%	Total Top Ten	\$ 127,152	4.57%
Total Water Revenue	\$ 4,390,967		Total Water Revenue	2,780,051	

Data Source: City of San Fernando Finance Department Eden UB System (Water only).

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

Governmental Activities

Fiscal Year Ended June 30	General Obligation Bonds	Tax Allocation Bonds	Loans	Certificates of Participation	Total Governmental Activities	Percentage of Personal Income	Per Capita
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
2015	-	-	-	-	-	0.00%	-
2016	-	-	-	2,916,355	2,916,355	0.66%	117
2017	-	-	-	2,845,644	2,845,644	0.63%	115
2018	-	-	-	2,759,933	2,759,933	0.61%	112

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Personal income and Population numbers from <https://www.census.gov/quickfacts/fact/table/sanfernandocitycalifornia,US/PST045217> visited 11/15/2018.

City of San Fernando
Direct and Overlapping Debt As Of June 30, 2018

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt:			
240.01 2016 Installment Sale Agreement	2,640,000	100.000	2,640,000
240.01 Premium	119,933	100.000	119,933
Total Direct Debt			2,759,933
Overlapping Debt:			
* 310.3 Metropolitan Water District	29,354,442	0.106	31,003
805.55 LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.234	4,940
805.56 LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.234	73,698
805.60 LA CCD DS 2001, 2008 Ser E-1	7,580,000	0.234	17,703
805.62 LA CCD DS 2003, 2008 Ser F-1	7,575,000	0.234	17,692
805.65 LA CCD DS 2008, 2009 Taxable Ser B	75,000,000	0.234	175,165
805.66 LA CCD DS 2008, 2010 Tax Series D	125,000,000	0.234	291,941
805.67 LA CCD DS 2008, 2010 Tax Ser E (BABS)	900,000,000	0.234	2,101,974
805.69 LA CCD DS 2008 2012 Series F	205,000,000	0.234	478,783
805.70 LA CCD DS 2013 Ref Bonds	42,305,000	0.234	98,804
805.71 LA CCD DS 2008 Series G	1,664,870,000	0.234	3,888,348
805.73 LA CCD DS 2015 Ref Series A	33,270,000	0.234	77,703
805.74 LA CCD DS 2015 Ref Series B	272,085,000	0.234	635,462
805.75 LA CCD DS 2015 Ref Series C	223,910,000	0.234	522,948
805.76 LA CCD DS 2008 Series I	175,565,000	0.234	410,037
805.78 LA CCD DS 2016 Ref Bonds	300,000,000	0.234	700,658
805.79 LA CCD DS 2016, 2017 Ser A	100,000,000	0.234	233,553
887.59 Los Angeles USD DS 2004 Series A	125,535,000	0.288	361,293
887.66 Los Angeles Unif DS 2005 Ref Bonds A-1	38,035,000	0.288	109,459
887.67 Los Angeles Unif DS 2005 Ref Bonds A-2	14,790,000	0.288	42,563
887.86 Los Angeles Unif DS 2002 Series E	200,000,000	0.288	575,571
887.87 Los Angeles Unif DS 2004 Series J	739,280,000	0.288	2,127,540
887.89 Los Angeles Unif DS 2005 Series H	609,075,000	0.288	1,752,829
887.91 LAUSD Measure R Series 2009	47,425,000	0.288	136,482
887.92 LAUSD Measure R Series KRY BABS	363,005,000	0.288	1,044,675
887.93 LAUSD Measure Y 2009 Series KRY BABS	806,795,000	0.288	2,321,838
887.95 LAUSD Measure K 2010 Series KRY	145,250,000	0.288	418,008
887.96 LAUSD Measure R 2010 Series KRY	157,165,000	0.288	452,298
887.97 LAUSD Measure Y 2010 Series KRY	130,450,000	0.288	375,416
887.98 LAUSD Measure R 2010 Series RY BABS	477,630,000	0.288	1,374,549
887.99 LAUSD Measure Y 2010 Series RY BABS	772,955,000	0.288	2,224,452
888.57 Los Angeles Unif DS 2011 Ref Bond Series A 1	127,870,000	0.288	367,991

Data Source: HdL Coren and Cone, L.A. County Assessor and Auditor Combined 2017/18 Lien Date Tax Rolls.

City of San Fernando
Direct and Overlapping Debt As Of June 30, 2018

Overlapping Debt (Continued):

888.58 Los Angeles Unif DS 2011 Ref Bond Series A 2	143,980,000	0.288	414,353
888.60 Los Angeles Unif DS 2014 Ref Bond Series A	109,940,000	0.288	316,391
888.61 Los Angeles Unif DS 2014 Ref Bond Series B	283,135,000	0.288	814,821
888.62 Los Angeles Unif DS 2014 Ref Bond Series C	909,360,000	0.288	2,617,005
888.63 Los Angeles Unif DS 2014 Ref Bond Series D	153,385,000	0.288	441,420
888.66 Los Angeles Unif DS 2005 Series K	8,035,000	0.288	23,124
888.68 Los Angeles Unif DS 2015 Ref Bond Series A	318,085,000	0.288	915,402
888.69 Los Angeles Unif DS 2008 Series A 2016	1,162,115,000	0.288	3,344,397
888.70 Los Angeles Unif DS 2016 Bonds Series A	500,855,000	0.288	1,441,388
888.71 Los Angeles Unif DS 2016 Bonds Series B	1,057,635,000	0.288	3,043,719
888.72 Los Angeles Unif DS 2017 Ref Bonds Ser A Prop BB	1,202,445,000	0.288	3,460,461
Total Overlapping Debt:			40,277,857

Total Direct and Overlapping Debt **43,037,790**

2017/2018 Assessed Valuation: \$1,210,412,202 After Deducting \$644,221,199 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.23%
	Overlapping Debt	3.33%
	Total Debt	3.56%

Notes:

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

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, unless provided by the city.

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.

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 and Cone, L.A. County Assessor and Auditor Combined 2017/18 Lien Date Tax Rolls.

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

Fiscal Year	2009	2010	2011	2012	2013
Assessed Valuation	1,515,160,559	1,494,474,452	1,453,887,926	1,470,643,956	1,522,426,847
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	378,790,140	373,618,613	363,471,982	367,660,989	380,606,712
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	56,818,521	56,042,792	54,520,797	55,149,148	57,091,007
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>56,818,521</u>	<u>56,042,792</u>	<u>54,520,797</u>	<u>55,149,148</u>	<u>57,091,007</u>
Total debt applicable to the limit as a percentage of debt limit	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 2017/18 Combined Tax Rolls, provided by HdL, Coren and Cone and City Finance Department

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

Fiscal Year	2014	2015	2016	2017	2018
Assessed Valuation	1,559,841,135	1,632,412,360	1,685,676,080	1,791,249,290	1,854,633,401
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	389,960,284	408,103,090	421,419,020	447,812,323	463,658,350
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	58,494,043	61,215,464	63,212,853	67,171,848	69,548,753
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>58,494,043</u>	<u>61,215,464</u>	<u>63,212,853</u>	<u>67,171,848</u>	<u>69,548,753</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Data Source: L.A. County Assessor 2017/18 Combined Tax Rolls, provided by HdL, Coren and Cone and City Finance Department

City of San Fernando
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population ¹</u>	<u>Calif. Metropolitan Personal Income (in thousands)²</u>	<u>Calif. Metropolitan Per Capita Personal Income²</u>	<u>Unemployment Rate³</u>
2009	25,198	343,776,000	13,643	11.8%
2010	23,662	359,081,000	14,156	12.9%
2011	23,712	362,556,000	15,290	12.9%
2012	23,818	379,016,000	15,913	11.5%
2013	23,880	403,190,000	16,884	9.2%
2014	24,220	419,684,000	17,328	8.7%
2015	24,587	433,248,000	17,621	7.4%
2016	24,931	442,924,000	17,766	5.6%
2017	24,717	454,373,000	18,383	4.9%
2018	24,714	454,317,000	18,383	4.3%

Data Sources:

¹ US Census Bureau

² HdL Report/Bureau of Economic Analysis (data shown is for the metropolitan area of L.A.-Long Beach-Santa Ana through 2009; thereafter US Census Bureau Data).

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

City of San Fernando
Miscellaneous and Demographic Statics

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>
	1991	220	12,427,290
	1993	307	3,390,293
	1994	383	14,150,921
	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
	2015	880	9,313,800
	2016	1,075	10,771,178
	2017	1,078	11,430,654
	2018	1,337	14,314,565

Date Source: City of San Fernando Community Development Department

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

2017-18			2008-09		
<u>Business Name</u>	Number of Employees	Percent of Total Employment	<u>Business Name</u>	Number of Employees	Percent of Total Employment
Los Angeles Unified School District	2010	17.18%	Los Angeles Unified School District	490	8.45%
Pharmavite LLC	360	3.08%	Puretek Corp**	400	6.90%
Los Angeles County Superior Court *	277	2.37%	JT Contractors, Inc.	400	6.90%
Home Depot	271	2.32%	Pepsi Bottling	300	5.17%
Pepsi Bottling	270	2.31%	Samco Scientific	300	5.17%
Puretek Corp**	200	1.71%	County of Los Angeles	275	4.74%
Production Resource Group LLC (PRC	200	1.71%	Future Graphics	220	3.79%
Vallarta Supermarkets	162	1.38%	Padilla Construction	200	3.45%
Ricon Corp	149	1.27%	City of San Fernando	190	3.28%
Valley Crest Landscape Co. ***	136	1.16%	Medical Illumination Intl.	155	2.67%
Total Top Ten Employers	<u>4,035</u>	<u>34.49%</u>	Total Top Ten Employers	<u>2,930</u>	<u>50.51%</u>
Total City Labor Force ⁽¹⁾	<u>11,700</u>		Total City Labor Force	<u>5,801</u>	

Notes:

Results based on direct correspondence with city's local businesses.

* Includes all employees at courthouse, including state and county

** Includes 2 locations

*** Includes maintenance only, no development side

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

Note: Sam's Club is permanently closed

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

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City of San Fernando
Full-Time Equivalent City Employees
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	19	17	17	15	14
Community Development	10	10	7	5	9
Public Safety	62	62	62	57	50
Public Works	46	43	41	39	36
Recreation and Community Services	20	27	22	31	24
Total	<u>157</u>	<u>159</u>	<u>149</u>	<u>147</u>	<u>133</u>

Data Source: City of San Fernando Finance and Personnel Records

City of San Fernando
Full-Time Equivalent City Employees
by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	14	14	15	15	15
Community Development	8	8	8	8	8
Public Safety	48	48	47	48	48
Public Works	35	34	34	34	34
Recreation and Community Services	30	32	24	24	24
	<u>135</u>	<u>136</u>	<u>128</u>	<u>129</u>	<u>129</u>

Data Source: City of San Fernando Finance and Personnel Records

City of San Fernando
Operating Indicators by Function
Last Ten Years

Function	Calendar Year				
	2009	2010	2011	2012	2013
Police:					
Arrests	2,721	1,933	1,424	887	683
Parking Citations Issued	16,966	16,583	14,799	13,407	10,699

Data Source: City of San Fernando Police Department

City of San Fernando
Operating Indicators by Function
Last Ten Years

Function	Calendar Year				
	2014	2015	2016	2017	2018
Police:					
Arrests	581	612	1007	965	881
Parking Citations Issued	8,654	10,730	9,745	8,691	9,602

Data Source: City of San Fernando Police Department

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

Function	Fiscal Year				
	2009	2010	2011	2012	2013
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	0	0	0	0	0
Public Works:					
Streets (miles)	47.20	47.20	47.20	47.20	47.20
Alleyways (miles)	3.20	3.20	3.20	3.20	3.20
Streetlights	1,678	1,848	1,848	1,848	1,848
Traffic Signals Intersections	45	45	45	45	45
Parks and Recreation:					
Parks	6	6	6	6	6
Recreation Centers	2	2	2	2	2
Water:					
Water mains (miles)	66.50	66.50	66.50	66.88	66.88
Maximum Daily Pumping Capacity	600	600	600	600	600
Wastewater:					
Sanitary Sewers (miles)	42.59	42.59	42.59	42.59	42.59
Storm Sewers (miles)	0.68	0.68	0.68	0.68	0.68

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

Function	Fiscal Year				
	2014	2015	2016	2017	2018
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	0	0	0	0	0
Public Works:					
Streets (miles)	47.20	47.20	47.20	47.20	47.20
Alleyways (miles)	3.20	3.20	3.20	3.20	3.20
Streetlights	1,848	1,848	1,848	1,848	1,848
Traffic Signals Intersections	45	45	45	45	45
Parks and Recreation:					
Parks	8	8	8	8	8
Recreation Centers	2	2	2	2	2
Water:					
Water mains (miles)	66.88	66.88	66.88	66.88	66.88
Maximum Daily Pumping Capacity	600	600	3,600	3,600	3,600
Wastewater:					
Sanitary Sewers (miles)	42.59	42.59	42.59	42.59	42.59
Storm Sewers (miles)	0.68	0.68	0.68	0.68	0.68