

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED

JUNE 30, 2019

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, 2019

Prepared By: Finance Department

City of San Fernando Comprehensive Annual Financial Report Year Ended June 30, 2019

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SECTION I. Introductory Section



CITY COUNCIL

Mayor Joel Fajardo

VICE MAYOR HECTOR A. PACHECO

COUNCILMEMBER
SYLVIA BALLIN

COUNCILMEMBER
ROBERT C. GONZALES

COUNCILMEMBER MARY MENDOZA

FINANCE DEPARTMENT

117 Macneil Street San Fernando California 91340

ADMINISTRATIVE DIVISION (818) 898-1200

BUSINESS LICENSE DIVISION (818) 898-1245

Treasurer Division (818) 898-1207

WATER DIVISION (818) 898-1213

WWW.SFCITY.ORG

December 26, 2019

Honorable Mayor and City Council Members Residents of San Fernando

The Comprehensive Annual Financial Report (CAFR) of the City of San Fernando, California for the fiscal year ended June 30, 2019, 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, 2019, 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, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City 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 2019, 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 2020.

Federal Economy

According to the Bureau of Economic Analysis, Gross Domestic Product, which is a measure of output for the US economy, grew 2.9% in 2018 and is expected to slow to about 2.2% in 2019 and 2.4% in 2020.

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." Employment is expected to remain strong with a forecasted Unemployment Rate of 3.5% and 3.1% in 2019 and 2020, respectively. Additionally, Real Personal Income has been steadily increasing, with a 2.2% increase in 2018 and forecasted increases of 2.7% and 2.5% in 2019 and 2020, respectively.

Low Unemployment and increasing Personal Income is typically offset by increasing prices; however, the Consumer Price Index (CPI) increased 2.4% in 2018 and is forecasted to increase by 2.2% and 1.9% in 2019 and 2020, respectively. The CPI, which is a measure of price inflation, is closely monitored by the Federal Reserve Bank, which has held the federal funds rate at historic lows (i.e. less than 2%) for almost 10 years. After a number of rate increases in 2018, which increased from 1.4% to 2.4% by year end, the Fed is expected to postpone additional increase to later in 2019 to avoid hampering economic growth.

State Economy

California's economy has also been steadily improving and, in many aspects, has outpaced the U.S. Economy; California's Real Gross State Product (GSP) was 3.4% in 2018 and is forecasted to be 3.0% in 2019 and 3.0% in 2020, respectively. California's Personal Income Growth was 2.7% in 2018 and is forecasted to be 2.9% and 23.8% in 2019 and 2020, respectively. The State's unemployment rate was 4.2% in 2018 and is forecasted to be 3.7% and 3.4% in 2019 and 2020, respectively.

Despite the gains in productivity and wages, the most significant long term economic challenge for California is the scarcity and affordability of housing. Even with wage gains, housing is becoming less and less affordable. It is estimated that California needs to add at least 200,000 new housing units 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 Proposed Senate Bill (SB) 50) to usurp local control and expedite construction of new housing units.

Implementation of Proposition 64, which legalized the adult use of recreational marijuana, has taken longer than expected; however, it is estimated to generate significant on-going tax revenues for the state. After an expected influx of tax dollars in 2019 and 2020, cannabis revenues will likely level out after 2021 as the market normalizes.

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

Local Economy

San Fernando's local economic indicators are best understood in the context of the greater Los Angeles County area. In 2018, San Fernando's unemployment rate was 4.9% compared to 5.1% in Los Angeles County. San Fernando's average household income was \$63,000 compared to \$94,000 for Los Angeles County. Median single family residential sales price in San Fernando in 2018 was \$497,000, which is below the median price for Los Angeles County is \$551,000. Although San Fernando's unemployment rate and median house process were slightly less than the county in 2018, average household income was significantly less (33%) than the County. Additionally, the household size (3.97) was significantly greater than the County (3.00), which means the household income needs to support more family members. Consequently, similar to the State as a whole, housing affordability is a challenge locally,

Sales and property taxes have shown consistent growth over the last ten years. The decision by Sam's Club to close the San Fernando location in early 2018 had a significant impact as it was one of the City's top 5 revenue generating businesses. Staff is actively working with the property owner to identify a new tenant for the site, including possible re-use of the space. However, it is expected that space will remain vacant through FY 2019-2020.

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 approved a light rail project that will connect San Fernando to the Orange Line by 2028. 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.

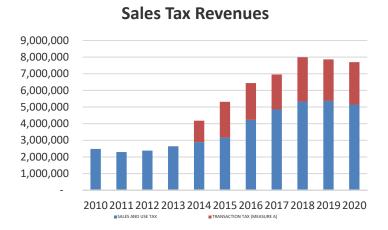
Major General Fund Revenue

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

The sale of all tangible personal property tax is subject to sales or use tax in California, unless exempt or otherwise excluded by law. Since October 1, 2017, the sales and use tax in Los Angeles County is 9.5%, of which 6.25% is distributed to the state, 2.25% to the County of Los Angeles, and 1.0% to the City of San Fernando.

In June 2013, San Fernando voters approved a ½ cent local transaction use tax (Measure A) for a duration



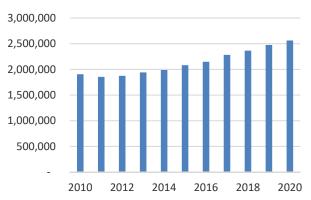
of seven years. Funds raised through the transaction tax have been imperative to the City's short-term viability. In November 2018, voters approved extending the transaction tax indefinitely, which is crucial for the City's long-term financial health.

Sales Tax revenue is estimated to decrease by 3% in FY 2019-2020 due to one-time funds received in 2018-2019 that resulted from a new local tax allocation system implement by the State. Additionally, long term revenue projections include a slowing of revenue growth beginning in 2020. The projection reflects the current economic uncertainty and accounts 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 Fees

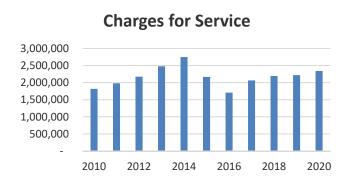


Property tax in-lieu of Motor Vehicle License Fee is the City's second largest revenue as it accounted for almost 12% of General Fund revenues in FY 2019-2020.

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%. in FY 2019-2020.

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 construction permit and inspection fees, Livescan fingerprint fees, special police services and administrative charges to the Enterprise and Special Revenue funds. Administrative charges are intended to reimburse the City for administrative costs incurred to support those activities.

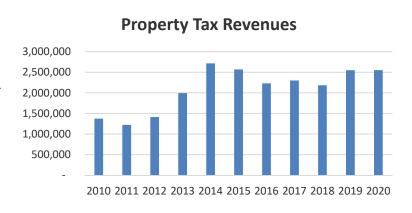


Charges for services are the City's fourth largest revenues source and accounted for 11% of total General Fund revenues.

Charges for Services are projected based on historical trends, known upcoming events (e.g. large development project or special event), and changes in the cost to provide the service (i.e. increase in personnel costs). Charges for Services are projected to increase 6% in FY 2019-2020. This is a result of the updated fee study and cost allocation plan that was implemented in FY 2018-2019 and adjusted for FY 2019-2020 to adequately recover the costs of providing special services.

Property Tax

Property tax, accounting for almost 13% of the General Fund revenue in FY 2019-2020. Property tax is an ad valorem tax levied property owners in the City of San Fernando. The property limited by rate is 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%, local investment and property turnover are expected to remain flat in FY 2019-2020 resulting in a negligible increase in FY 2019-2020.

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

2,000,000 1,500,000 1,000,000 500,000 2010 2012 2014 2016 2018 2020

License is the City's fifth largest revenue source, accounting for 7.0% of General Fund revenues in FY 2019-2020.

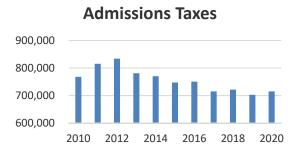
Business License revenue is also very sensitive to economic conditions and decreased by more than 25% from FY 2009-2010 to FY 2010-2011. Although Business License revenue has rebounded slightly since the recession, it is still well below pre-recession receipts and has remained relatively flat. Additionally, staff reductions resulting from the "Great Recession" directed resources away from the 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 the prior year.

After adjusting for the one-time revenues received in FY 2016-2017 from the amnesty program and increased discovery efforts to recover delinquent revenues in FY 2018-2019, Business License Taxes and Fees are conservatively projected to stabilize and decrease slightly in FY 2019-2020.

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 revenue.



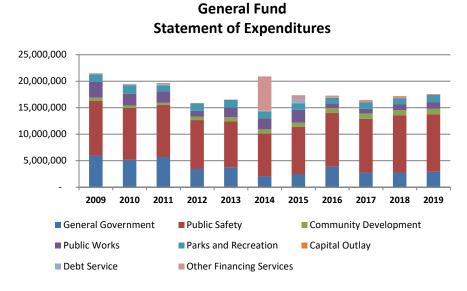
The primary driver for Admissions Tax revenues is the City's Swap Meet. Swap Meet vendors sell new and used goods, typically at deeply discounted prices. Similar to other discount retailers, attendance at the Swap Meet has proven to be anti-cyclical in that, when the economy is depressed, the demand 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 2019-2020.

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 20162017. 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.

Public Safety (including the Fire Service contract with City of Los Angeles) expenditures accounted for 63% of General Fund expenditures in FY 2019-20120. 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 2018-2019 to FY 2019-2020.

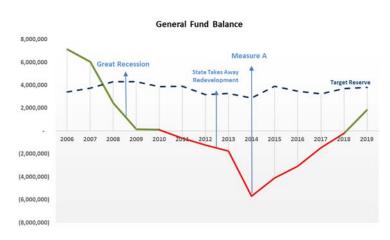
Public Works expenditures increased by 16% from FY 2018-2019. Most of the increase is due to filling vacant positions (Director of Public Works/City Engineer, Public Works Supervisor and Public Works Maintenance Workers) and increased capital project activity throughout the City.

Parks and Recreation expenditures increased by 19% due to recruiting 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 membership opportunities City for 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 multiyear 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 2019-2020, 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.

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. 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 2019 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 2018-2019

ELECTED OFFICIALS

CITY COUNCIL

Mayor Sylvia Ballin

Vice Mayor Antonio Lopez

COUNCILMEMBERS
JOEL FAJARDO
ROBERT C. GONZALES
JAIME SOTO

<u>City Treasurer</u> Margarita Solis

EXECUTIVE MANAGEMENT

CITY MANAGER ALEXANDER P. MEYERHOFF

DEPUTY CITY MANAGER/ NICK KIMBALL

DIRECTOR OF FINANCE

CHIEF OF POLICE ANTHONY VAIRO

DIRECTOR OF COMMUNITY DEVELOPMENT

TIMOTHY HOU

DIRECTOR OF PUBLIC WORKS/ YAZDAN EMRANI

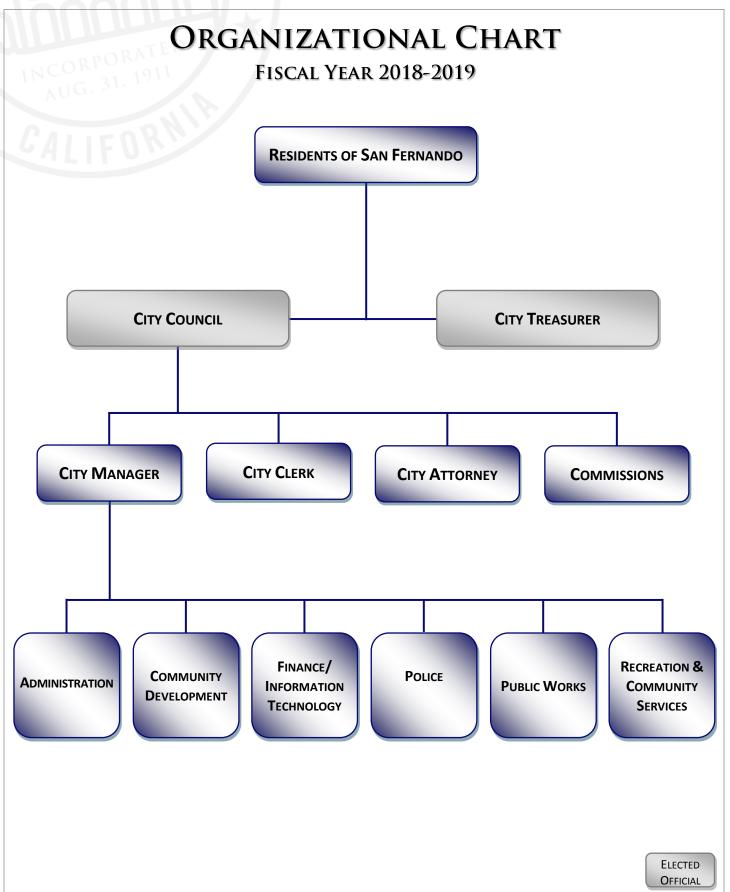
CITY ENGINEER

DIRECTOR OF RECREATION AND JULIAN J. VENEGAS

COMMUNITY SERVICES

CITY CLERK ELENA G. CHÁVEZ







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, 2018

Christopher P. Morrill

Executive Director/CEO



SECTION II. Financial Section



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Independent Auditor's Report

The Honorable City Council City of San Fernando, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Fernando (City), as of and for the year ended June 30, 2019, 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, 2019, 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.

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 26, 2019, 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.

December 26, 2019

Van Laut + Fankhanel, IIP

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, 2019. 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 23.

FINANCIAL HIGHLIGHTS

The following are some key financial highlights for the fiscal year ending June 30, 2019:

- The City's total net position decreased from \$4,760,598 as of June 30, 2018 to \$4,089,796 as of June 30, 2019 for a total decrease of \$670,802, or 14.09%. 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 (\$69,556,412) at June 30, 2018 to (\$71,038,153) at June 30, 2019 for a total decrease in unrestricted net position of \$1,481,741, or 2.13%.
- The City's total fund balances for governmental funds increased from \$17,422,636 as of June 30, 2018 to \$22,217,835 as of June 30, 2019 for a total increase of \$4,795,199, or 27.5%.
- The total fund balance for the General Fund increased from (\$208,253) as of June 30, 2018 to \$1,821,163 as of June 30, 2019 for a total deficit reduction of \$2,029,416, or 9.7%. Fund balance is classified per GASB Statement No. 54 as Nonspendable: \$1,140, Restricted: \$, and Unassigned: \$1,820,023. 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 \$17,630,889 as of June 30, 2018 to \$20,396,672 as of June 30, 2019 for a total increase of \$2,765,783, or 15.69%.

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.

Components of the Financial Section Required Management's Basic Discussion Financial Supplementary Statements Information Analysis Government-wide Fund Notes Financial Statements Financial to the Statements Financial Summarv Detail

Government-wide Financial Statements

The <u>Government-wide Financial Statements</u> 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. <u>Governmental activities</u>, which are principally supported by taxes and intergovernmental revenues, are reported separately from <u>business-type activities</u>, which rely primarily on user fees and charges to fund operations. <u>Governmental activities</u> include those traditionally associated with local government, such as public safety, public works, community development, recreation, and general government (administrative) functions. <u>Business-type activities</u> include the City's water and wastewater utility operations and Compressed Natural Gas (CNG) fueling station.

The <u>Statement of Net Position</u> 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 <u>Statement of Activities</u> 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 23 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.

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

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

Fund Financial Statements (cont.)

Funds." The details of these funds are included in the Combining and Individual Fund Statements and schedules located in the supplementary information section of this report on pages 72-117.

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 28 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 23 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.

<u>Proprietary Funds</u>. 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 33 of this report.

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

Fund Financial Statements (cont.)

The City uses fiduciary funds to account for the activities of the Successor Agency 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 38 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 64 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 15 years and has been significantly impacted by a number of changes to financial reporting guidelines implemented by GASB. In fiscal year 2018-2019, the City's net position decreased from \$4,760,598 as of June 30, 2018 to \$4,089,796 as of June 30, 2019 for a total decrease of \$670,802, or (14.09%).

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 from \$36,350,710 as of June 30, 2018 to \$37,568,297 as of June 30, 2019 for a total increase of \$1,217,587, or 3.35%. 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 \$3,468,180, 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 \$2,015,411 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.

Government-wide Financial Analysis (cont.)

The largest portion of the City's net position, \$54,506,334, 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, \$20,621,615, 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, 2019, the City is reporting positive net positions balances in only two categories: 1) Net Investment in Capital Assets, and 2) Restricted; the City's government-wide unrestricted net position reflects a deficit of (\$71,038,153). 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, 2019, with comparative totals for the fiscal year ended June 30, 2018.

Summary of Net Position

	Governmen	tal Activities	Business-	type Activities	<u>To</u>	tal
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 26,703,923	\$ 22,293,442	\$ 11,290,282	\$ 10,329,826	\$ 37,994,205	\$ 32,623,268
Capital assets	43,594,519	44,999,017	13,581,037	14,079,295	57,175,556	59,078,312
Total assets	70,298,442	67,292,459	24,871,319	24,409,121	95,169,761	91,701,580
Deferred Outflows of Resources:	7,814,861	9,039,368	1,589,537	1,937,777	9,404,398	10,977,145
Liabilities:						
Current and other liabilities	3,838,358	3,781,534	678,972	495,482	4,517,330	4,277,016
Long-term liabilities	77,178,188	74,997,045	13,757,490	14,163,536	90,935,678	89,160,581
Total liabilities	81,016,546	78,778,579	14,436,462	14,659,018	95,453,008	93,437,597
Deferred Inflows of Resources:	4,214,894	3,780,819	816,461	699,711	5,031,355	4,480,530
Net position:						
Net Investment in Capital Assets	40,925,297	42,239,084	13,581,037	14,079,295	54,506,334	56,318,379
Restricted	20,621,615	17,998,631	-	-	20,621,615	17,998,631
Unrestricted	(68,665,049)	(66,465,286)	(2,373,104)	(3,091,126)	(71,038,153)	(69,556,412)
Total net position	\$ (7,118,137)	\$ (6,227,571)	\$ 11,207,933	\$ 10,988,169	\$ 4,089,796	\$ 4,760,598

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, 2019, in relation to a year earlier.

The City's total net position decreased from \$4,760,598 as of June 30, 2018 to \$4,089,796 as of June 30, 2019 for a total decrease of \$670,802 or 14.09%. Key elements of this decrease are as follows:

- ❖ Net position of governmental activities decreased from (\$6,227,571) as of June 30, 2018 to (\$7,118,137) as of June 30, 2019; a total decrease of (\$890,566), or 14.3%. The decrease is due to program revenues specifically in charges for services.
- ❖ Net position of business-type activities increased from \$10,988,169 as of June 30, 2018 to \$11,207,933 as of June 30, 2019; a total increase of \$219,764, or 2.0%. As is the case with governmental activities, the increase is due to program revenues, specifically in charges for services.

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, 2019, with comparative totals for the fiscal year ended June 30, 2018.

City of San Fernando Government-wide Financial Statements Summary of Activities

	Governmental Activities		Business-type Activities		<u>Total</u>	
	2019	2018	2019	2018	2019	2018
Revenues Program revenues						
Charges for services	\$ 3,505,452	\$ 3,108,424	\$ 8,000,385	\$ 7,931,856	\$11,505,837	\$11,040,280
Operating grants and contributions	2,777,539	3,032,809	-	-	2,777,539	3,032,809
Capital grants and contributions	1,154,463	1,910,721	-	-	1,154,463	1,910,721
General revenues						
Taxes	20,640,749	19,620,350	-	-	20,640,749	19,620,350
Investment earnings and other	652,113	314,528	341,556	39,486	993,669	354,014
Total revenue	28,730,316	27,986,832	8,341,941	7,971,342	37,072,257	35,958,174
Expenses						
General government	7,604,642	5,003,034	-	-	7,604,642	5,003,034
Public safety	13,844,371	13,046,118	-	-	13,844,371	13,046,118
Community development	1,357,983	1,275,585	-	-	1,357,983	1,275,585
Public works	5,085,991	4,966,748	-	-	5,085,991	4,966,748
Parks and recreation	1,819,230	1,735,878	-	-	1,819,230	1,735,878
Capital Outlay	-	-	-	-	-	-
Interest and fiscal charges	88,665	128,661	-	-	88,665	128,661
Water operations	-	-	4,154,617	3,389,704	4,154,617	3,389,704
Sewer operations	-	-	3,703,978	4,458,457	3,703,978	4,458,457
CNG operations	-	-	80,355	42,825	80,355	42,825
Refuse operations	-	-	3,227	5,898	3,227	5,898
Total expenses	29,800,882	26,156,024	7,942,177	7,896,884	37,743,059	34,052,908
Transfers (out)	180,000	162,407	(180,000)	(162,407)	-	_
Prior Period Adjustments	-	(22,131,395)		(7,078,207)	-	(29,209,602)
Increase(decrease) in net position	(890,566)	(20,138,180)	219,764	(7,166,156)	(670,802)	(27,304,336)
Net position – beginning	(6,227,571)	13,910,609	10,988,169	18,154,325	4,760,598	32,064,934
Net position – ending	\$ (7,118,137)	\$ (6,227,571)	\$11,207,933	\$10,988,169	\$ 4,089,796	\$ 4,760,598

Governmental Activities

The City's net position from governmental activities decreased from (\$6,227,571) as of June 30, 2018 to (\$7,118,137) as of June 30, 2019; a total decrease of (890,566), or 14.30%. The decrease is due to program revenues specifically in charges for services.

Government-wide Financial Analysis (cont.)

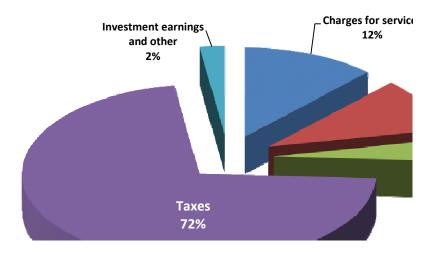
Revenue Highlights

Total governmental activities revenues were \$28,730,316; an increase of \$743,484, or 2.6%, from 2018. The largest component of governmental activities' revenue are taxes, which generate \$20,640,749, making up 72% 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 (\$9.7 million), Sales Tax (\$8.2 million), and business license tax (\$1.6 million). Some key changes in revenues include:

- Property and sales tax revenues both experienced increases, 8.6% and 2.8% respectively, compared to the prior year. Both of these revenue sources are economically sensitive, which may signal a steady growth in overall economic activity from the prior year.
- Business licenses tax revenues decreased by \$27,810 (1.7%) 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 stagnant 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 74% of total governmental revenue. Charges for services make up 12% of revenues while operating and capital grants and contributions amount to 14% of total governmental revenues.

Governmental Activities Revenues (\$28.7 million)

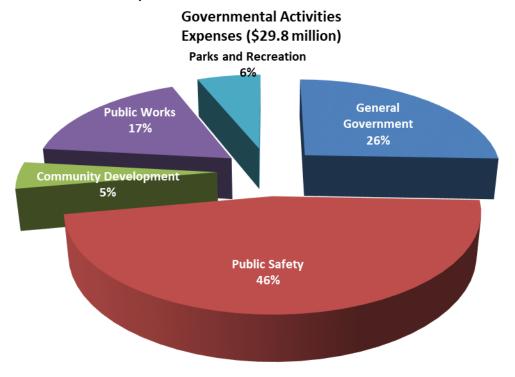


Governmental Activities (cont.)

Expense Highlights

Functional expenses for fiscal year 2018-2019 governmental activities totaled \$29,800,882, an increase of \$3,644,858 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 \$13.8 million (46%) and Public Works activities accounted for approximately \$5.0 million (17%) 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 \$7.6 million (26%) of total expenses. Community Development (\$1.4 million) and Recreation and Community Services (\$1.8 million) account for the remaining 11% of expenses.

Overall, expenditures increased due to recruitment of key staff vacancies, including a few department heads, police officers and several support staff. 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 increased from \$10,988,168 as of June 30, 2018 to \$11,207,933 as of June 30, 2019; a total increase of \$219,764, or 2.0%. The increase is due to program revenues, specifically in charges for services.

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 10 shows a comparison of program revenues to expenses to prior year for each of the City's business-type activities.

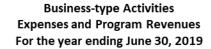
Business-Type Activities (cont.)

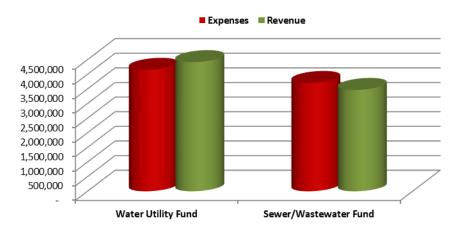
Revenue Highlights

Total program revenues for the fiscal year ended June 30, 2019 were approximately \$8.0 million; an increase of \$68,529 or 0.86%, from 2018.

Expense Highlights

Total expenses for the fiscal year ended June 30, 2019 were approximately \$7.9 million; an increase of \$45,293, or 0.57%, from 2018. 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 \$17,422,636 as of June 30, 2018 to \$22,217,835 as of June 30, 2019; a total increase of \$4,795,199, or 27.52%. The City's governmental funds report an *unassigned fund balance* of \$1,651,027, which is a \$2,685,065 increase from 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) \$1,140 for prepaid items;
- 2) \$20,565,668 restricted for transportation, housing, air pollution, parks and recreation, public safety and retirement.

Summary of Governmental Funds Balance Sheet

		2019	2018		
Assets:					
Cash and Investments	\$	15,942,675	\$	10,938,130	
Other assets		12,952,349		14,302,018	
Total assets	28,895,024			25,240,148	
Liabilities:					
Accounts Payable		747,590		1,336,432	
Other liabilities		5,719,480		5,708,490	
Total liabilities		6,467,070		7,044,922	
Total deferred Inflows of Resources		210,119		772,590	
Fund balances:					
Nonspendable		1,140		68,204	
Restricted		20,565,668		18,388,470	
Unassigned		1,651,027		(1,034,038)	
Total fund balances	\$	22,217,835	\$	17,422,636	

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 fund balance increased from (\$208,253) as of June 30, 2018 to \$1,821,163 as of June 30, 2019.

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 \$10,517,651 as of June 30, 2018 to \$11,378,091 as of June 30, 2019; a total increase of \$860,440, or 8.1%. 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 \$3,287,492 as of June 30, 2018 to \$3,371,111 as of June 30, 2019 due to investment earnings and repayment of outstanding housing loans. Assets in the Housing fund are restricted to low/moderate income housing related activities.

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 increased from \$2,595,859 as of June 30, 2018 to \$2,613,645 as of June 30, 2019. 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.

<u>Enterprise Funds.</u> Total net position increased from \$10,988,169 as of June 30, 2018 to \$11,207,933 as of June 30, 2019; a total increase of \$219,764, or 2.0%. The increase is due to program revenues, specifically in charges for services.

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 decreased from (\$1,286,288) as of June 30, 2018 to (\$1,655,227) as of June 30, 2019; a total decrease of \$368,939, or 28.68%. The decrease in net position is primarily due to an increase in 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 \$19,158,364 in fiscal year 2018-19, compared to the \$17,738,382 final budget; a difference of \$1,419,982, or 8%. 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, 2019

Variance with

		Budgeted Amounts				Actual	Final Budget	
		Original	Final		Amounts		Posit	ive(Negative)
Revenues								
Taxes		\$ 12,789,500	\$	12,789,500	\$	13,684,497	\$	894,997
Licenses and Permits		258,000		258,000		354,143		96,143
Charges for Services		871,200		846,200		989,986		143,786
Fines and Forfeitures		607,800		607,800		569,984		(37,816)
Investment Earnings		235,000		389,000		630,067		241,067
Intergovernmental		2,480,382		2,480,382		2,508,362		27,980
Other		 367,500		367,500		421,325		53,825
	Total Revenues	\$ 17,609,382	\$	17,738,382	\$	19,158,364	\$	1,419,982

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

Expenditures. Actual General Fund expenditures were \$17,558,590 in fiscal year 2018-2019, compared to the \$17,607,982 final budget; a difference of \$49,392, or 0.28%. 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, 2019

	Budgeted	A moun	ato.	Actual	Variance with Final Budget		
	 Original	Amou	Final	Amounts		e(Negative)	
Expenditures	 					-(
General Government:							
City Council	\$ 180,709	\$	190,708	\$ 200,626	\$	(9,918)	
Treasurer	65,926		65,926	66,406		(480)	
Administration	245,315		320,315	369,521		(49,206)	
Personnel	259,209		262,081	237,542		24,539	
City Attorney (contract)	220,803		270,803	314,063		(43,260)	
City Clerk	171,730		173,961	159,488		14,473	
Elections	40,000		40,000	39,075		925	
Finance	483,698		484,294	467,917		16,377	
Information Technology (contract)	251,279		221,779	204,796		16,983	
Retirement and Nondepartmental	889,869		889,391	853,423		35,968	
Public Safety:							
Police	8,073,717		8,079,172	8,180,674		(101,502)	
Fire (contract)	3,000,000		2,750,000	2,663,244		86,756	
Community Development	1,084,184		1,135,637	1,026,623		109,014	
Public Works	1,209,804		1,219,145	1,267,925		(48,780)	
Parks and Recreation	1,289,727		1,307,227	1,344,036		(36,809)	
Capital Outlay	 97,000		197,543	163,231		34,312	
Total Expenditures	 17,562,970		17,607,982	 17,558,590		49,392	
Other Financing Sources (Uses)							
Transfers In	\$ 509,642	\$	509,642	\$ 509,642	\$	-	
Transfers Out	 (380,000)		(380,000)	 (80,000)		300,000	
Total Other Financing Sources (Uses)	\$ 129,642	\$	129,642	\$ 429,642	\$	300,000	
Net Change in Fund Balance	176,054		260,042	2,029,416		1,769,374	
Fund Balance, Beginning of Year	(208,253)		(208,253)	(208,253)		-	
Fund Balance, End of Year	 (32,199)		51,789	 1,821,163		1,769,374	
1 and Damiec, Litt of 1 car	 (32,179)		31,709	1,021,103		1,707,374	

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$43,594,519 as of June 30, 2019. 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, 2019 was \$1,404,498, due to 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 52-53 of this report.

Capital Assets (Note 4) Net of Accumulated Depreciation June 30, 2019

		Governmental Activities]	Business-type Activities	Total		
Capital assets not being depreciated Capital assets being depreciated Less accumulated depreciation	\$	5,724,531 99,168,995 (61,299,007)	\$	817,323 38,462,815 (25,699,101)	\$	6,541,854 137,631,810 (86,998,108)	
Net Capital Assets		43,594,519		13,581,037		57,175,556	

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 \$76,286,183 as of June 30, 2018 to \$79,156,790 as of June 30, 2019; a total increase of \$2,870,607 or 3.76%. The increase is due to unresolved Claims payable and an increase in the Net OPEB liability. Total long-term debts in governmental and business activities consist of the following:

Long-Term Liabilities (Note 6) June 30, 2019

	Beginning			Ending	Ε	ue Within
Governmental Activities:	Balance	Additions	Deletions	Balance		One Year
2016 TRIP COP	\$ 2,640,000	\$ -	\$ (85,000)	\$ 2,555,000	\$	85,000
COP Premium	119,933	-	(5,711)	114,222		5,711
Claims Payable	2,315,000	2,214,443	(1,010,539)	3,518,904		933,884
Insurance Assessment Payable	729,513	-	(81,057)	648,456		81,057
Compensated Absences	1,291,918	646,847	(532,908)	1,405,857		872,950
Net Pension Liability (Note 7)	32,839,109	506,945	-	33,346,054		-
Net OPEB Liability (Note 8)	 36,350,710	 1,217,587	 -	 37,568,297		-
Total	\$ 76,286,183	\$ 4,585,822	\$ (1,715,215)	\$ 79,156,790	\$	1,978,602
Business-type Activities:						
Compensated Absences	\$ 227,985	\$ 114,149	\$ (94,043)	\$ 248,091	\$	154,050
Net Pension Liability (Note 7)	7,618,373	-	(584,623)	7,033,750		-
Net OPEB Liability (Note 8)	 6,414,831	 214,868	-	 6,629,699		-
Total	\$ 14,261,189	\$ 329,017	\$ (678,666)	\$ 13,911,540	\$	154,050

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 2018-2019 was \$1,942,294,308. 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 \$485,573,577. Therefore, the legal debt margin is \$72,836,037, which is well in excess of the City's outstanding general obligation debt. Currently, the City does not have any general obligation debt. Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements on pages 53-55 of this report.

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. The national and state economies are in the midst of the longest recorded economic expansion. The economy has been on a long, slow recovery since the end of the Great Recession in 2009. As a nation, fundamentals are strong as we are experiencing record low unemployment (3.9%), private residential and non-residential investment has been increasing since 2016, personal consumption has been increasing since 2009 and the S&P 500 index remains at record levels. ¹

However, there is also a fair amount of uncertainty related to the impact the federal government's fiscal policies will have on the economy, particularly related to international trade with the People's Republic of China. The United States and China are the two largest economies in the world and the frosty trade relations between the two countries could have a major slowing impact on the global economy. Other global economic uncertainties, such as the status of "Brexit" and oil production, especially as it relates to sanctions on Iran, add to the global economic concerns.

Federal Economy

According to the Bureau of Economic Analysis, Gross Domestic Product, which is a measure of output for the US economy, grew 2.9% in 2018 and is expected to slow to about 2.2% in 2019 and 2.4% in 2020.

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." Employment is expected to remain strong with a forecasted Unemployment Rate of 3.5% and 3.1% in 2019 and 2020, respectively. Additionally, Real Personal Income has been steadily increasing, with a 2.2% increase in 2018 and forecasted increases of 2.7% and 2.5% in 2019 and 2020, respectively.

Low unemployment and increasing Personal Income is typically offset by increasing prices; however, the Consumer Price Index (CPI) increased 2.4% in 2018 and is forecasted to increase by 2.2% and 1.9% in 2019 and 2020, respectively. The CPI, which is a measure of price inflation, is closely monitored by the Federal Reserve Bank, which has held the federal funds rate at historic lows (i.e. less than 2%) for almost 10 years. After a number of rate increases in 2018, which increased the rate from 1.4% to 2.4% by year end, the Fed is expected to postpone additional increases to later in 2019 to avoid hampering economic growth.

In the short-term, due to strong domestic economic fundamentals, the United States economy is expected to continue slow and steady growth through 2019 and into early 2020.

State Economy

California's economy has also been steadily improving and, in many aspects, has outpaced the U.S. economy. California's Real Gross State Product (GSP) was 3.4% in 2018 and is forecasted to be 3.0% and 3.0% in 2019 and 2020, respectively. California's Personal Income Growth was 2.7% in 2018 and is forecasted to be 2.9% and 2.8% in 2019 and 2020, respectively. The State's unemployment rate was 4.2% in 2018 and is forecasted to be 3.7% and 3.4% in 2019 and 2020, respectively.

¹ 2019 LAEDC Economic Forecast & Industry Outlook; https://laedc.org/wp-content/uploads/2019/02/LAEDC-2019-Economic-Forecast-Report.pdf

ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)

Despite the gains in productivity and wages, the most significant long term economic challenge for California is the scarcity and affordability of housing. Even with wage gains, housing is becoming less and less affordable. It is estimated that California needs to add at least 200,000 new housing units 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 Proposed Senate Bill (SB) 50) to usurp local control and expedite construction of new housing units.

Implementation of Proposition 64, which legalized the adult use of recreational marijuana, has taken longer than expected; however, it is estimated to generate significant on-going tax revenues for the state. After an expected influx of tax dollars in 2019 and 2020, cannabis revenues will most likely level out after 2021 as the market normalizes.

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

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 Economy²

San Fernando's local economic indicators are best understood in the context of the greater Los Angeles County area. In 2018, San Fernando's unemployment rate was 4.9% compared to 5.1% in Los Angeles County. San Fernando's average household income was \$63,000 compared to \$94,900 for Los Angeles County. Median single family residential sales price in San Fernando in 2018 was \$497,000, which is below the median price for Los Angeles County is \$551,000. Although San Fernando's unemployment rate and median house prices were slightly less than the County in 2018, average household income was significantly less (33%) than the County. Additionally, the household size (3.97) was significantly greater than the County (3.00), which means the household income needs to support more family members. Consequently, similar to the State as a whole, housing affordability is a challenge locally.

Sales and property taxes have shown consistent growth over the last ten years. The decision by Sam's Club to close the San Fernando location in early 2018 had a significant impact as it was one of the City's top 5 revenue generating businesses. Staff is actively working with the property owner to identify a new tenant for the site, including possible re-use of the space. However, it is expected that space will be vacant through FY 2019-2020.

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 approved a light rail project that will connect San Fernando to the Orange Line by 2028. The City hired an Economic Development consultant to assist with evaluating City assets as possible future development sites. New businesses, including CVS and Truman House Tavern, should help energize a resurgence in the Mall area and a number of interested developers have approached the City with new development opportunities.

² City of San Fernando: Downtown San Fernando Economic Development and Asset Analysis; Prepared by Kosmont Companies; March 4, 2019; http://ci.san-fernando.ca.us/wp-content/uploads/2019/04/Downtown-San-Fernando-Econ-Real-Estate-Analysis-Kosmont-Co..pdf

ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)

Budget Outlook. The emphasis of the FY 2019-2020 Budget is to enhance quality of life by maintaining the quality of the services the City currently provides, completing key street resurfacing, water and sewer capital replacement projects, and continuing to make significant strides toward reducing the operating budget deficit and General Fund deficit fund balance. Having said that, it must be recognized that the City still has a long way to go before we truly achieve financial sustainability. The fiscal challenges the City has experienced over the past several years have left a number of unmet needs, which cannot be addressed at this time.

The City's financial position has stabilized. Creative ways to provide services will need to be explored to address the ongoing structural deficit, build sufficient reserves, fund savings accounts for needed maintenance and equipment replacement, pre-fund long term liabilities, and restore services and programs to the community.

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 Diego Ibanez, Director of Finance at dibanez@sfcity.org or 117 Macneil Street, San Fernando, California, 91340.



Page Intentionally Left Blank **BASIC FINANCIAL STATEMENTS**

City of San Fernando Statement of Net Position

June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 18,596,104	\$ 10,491,784	\$ 29,087,888
Restricted Cash and Investments	1,801,323	-	1,801,323
Receivables:			
Taxes	1,459,249	-	1,459,249
Accounts	290,375	1,096,090	1,386,465
Interest	115,355	-	115,355
Grants	928,573	-	928,573
Loans Receivable	1,679,075	-	1,679,075
Due From Fiduciary Fund	1,493,281	_	1,493,281
Internal Balances	297,672	(297,672)	_
Prepaid Items	1,140	80	1,220
Inventories	41,776	-	41,776
Capital Assets, Not Depreciated	5,724,531	817,323	6,541,854
Capital Assets, Not Depreciated Capital Assets, Depreciated, Net	37,869,988	12,763,714	50,633,702
Total Assets			
	70,298,442	24,871,319	95,169,761
DEFERRED OUTFLOWS OF RESOURCES	4 000 040	00.750	4 400 000
Deferred Outflows Related to OPEB	1,020,618	88,750	1,109,368
Deferred Outflows Related to Pensions	6,794,243	1,500,787	8,295,030
Total Deferred Outflows of Resources	7,814,861	1,589,537	9,404,398
LIABILITIES			
Accounts Payable	946,544	313,517	1,260,061
Accrued Liabilities	401,243	34,294	435,537
Interest Payable	7,670	-	7,670
Deposits Payable	234,133	177,111	411,244
Due to Other Agencies	270,166	, -	270,166
Long-Term Liabilities:	,		,
Due Within One Year	1,978,602	154,050	2,132,652
Due in More Than One Year	77,178,188	13,757,490	90,935,678
Total Liabilities	81,016,546	14,436,462	95,453,008
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	2,999,635	529,347	3,528,982
Deferred Inflows Related to Pensions	1,215,259	287,114	1,502,373
Total Deferred Inflows of Resources	4,214,894	816,461	5,031,355
NET POSITION			
Net Investment in Capital Assets	40,925,297	13,581,037	54,506,334
Restricted for:			
Transportation	4,934,819	-	4,934,819
Housing	3,371,029	-	3,371,029
Air Polution	62,885	-	62,885
Parks & Recreation	49,455	_	49,455
Public Safety	338,457	_	338,457
Retirement	11,378,091	-	11,378,091
Community Development	82,879	_	82,879
Parking	404,000	_	404,000
Unrestricted	(68,665,049)	(2,373,104)	(71,038,153)
Total Net Position	\$ (7,118,137)	\$ 11,207,933	\$ 4,089,796
Total Not Footboll	ψ (1,110,101)	Ψ 11,201,300	Ψ =,000,100

City of San Fernando Statement of Activities

Year Ended June 30, 2019

		Program Revenues						
		Charges	Operating	Capital				
		for	Grants and	Grants and				
Functions/Programs	Expenses	Services	Contributions	Contributions				
Governmental Activities:								
General Government	\$ 7,604,642	\$ 882,306	\$ 9,809	\$ -				
Public Safety	13,844,371	1,196,184	814,057	-				
Community Development	1,357,983	525,102	17,631	-				
Public Works	5,085,991	462,055	1,656,397	1,154,463				
Parks and Recreation	1,819,230	439,805	279,645	-				
Interest Expense	88,665							
Total Governmental Activities	29,800,882	3,505,452	2,777,539	1,154,463				
Business-type Activities:								
Water	4,154,617	4,426,813	-	-				
Sewer	3,703,978	3,449,801	-	-				
Compressed Natural Gas	80,355	117,355	-	-				
Waste Disposal	3,227	6,416						
Total Business-type Activities	7,942,177	8,000,385						
Total Primary Government	\$ 37,743,059	\$ 11,505,837	\$ 2,777,539	\$ 1,154,463				

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

Net Position - End of Year

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
7.00.710.00	7.154.714.55	
\$ (6,712,527)	\$ -	\$ (6,712,527)
(11,834,130)	Ψ -	(11,834,130)
(815,250)	_	(815,250)
(1,813,076)	_	(1,813,076)
(1,099,780)	_	(1,099,780)
(88,665)	_	(88,665)
(00,000)		(00,000)
(22,363,428)		(22,363,428)
_	272,196	272,196
-	(254,177)	(254,177)
-	37,000	37,000
	3,189	3,189
	50,000	50,000
	58,208	58,208
(22,363,428)	58,208	(22,305,220)
9,741,048	_	9,741,048
8,207,979	-	8,207,979
1,601,969	_	1,601,969
693,474	_	693,474
396,279	-	396,279
564,893	341,556	906,449
87,220	-	87,220
180,000	(180,000)	
21,472,862	161,556	21,634,418
(890,566)	219,764	(670,802)
(6,227,571)	10,988,169	4,760,598
\$ (7,118,137)	\$ 11,207,933	\$ 4,089,796

City of San Fernando Balance Sheet Governmental Funds

June 30, 2019

			Special Revenue					
		General	F	Retirement				
		Fund		Tax		Housing	Ν	leasure R
ASSETS								
Cash and Investments	\$	4,394,145	\$	7,006,256	\$	468,921	\$	815,158
Restricted Cash and Investments		-		-		-		1,801,323
Receivables:								
Taxes		1,288,841		66,951		-		-
Accounts		185,474		-		-		-
Interest		115,355		-		-		-
Grants		-		_		-		_
Due From Other Funds		791,138		_		-		_
Loans Receivable		-		_		1,408,909		_
Due from Successor Agency		_		_		1,493,281		_
Advances to Other Funds		_		4,428,669		_		_
Prepaid Items		1,140		-		_		_
Total Assets	\$	6,776,093	\$	11,501,876	\$	3,371,111	\$	2,616,481
101417100010		0,110,000	<u> </u>	11,001,010	<u> </u>	0,071,111	<u> </u>	2,010,101
LIABILITIES								
Accounts Payable	\$	375,490	\$	80,019	\$	_	\$	133
Accrued Liabilities	•	319,302		43,766		82		203
Deposits		217,391		_		_		2,500
Due to Other Funds		-		_		_		-
Due to Other Agencies		_		_		_		_
Advances From Other Funds		4,042,747		_		_		_
Total Liabilities		4,954,930		123,785		82		2,836
. 5.5. 2.5		.,001,000		:=0;:00				
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues - Grants		_		_		_		_
Total Deferred Inflows of Resources								
rotal Bolonea Illione of Nessaress								
FUND BALANCES								
Nonspendable:								
Prepaid Items		1,140		-		-		-
Restricted For:								
Transportation		_		_		_		2,613,645
Housing		_		_		3,371,029		-
Air Pollution		_		_		-		_
Parks and Recreation		_		_		_		_
Public Safety		_		_		_		_
Retirement		_		11,378,091		_		_
Community Development		_		-		_		_
Parking		_		_		_		_
Unassigned		1,820,023				_		-
Total Fund Balances				11 379 001		3 371 020		2 612 645
Total Liabilities, Deferred Inflows of		1,821,163		11,378,091		3,371,029		2,613,645
Resources, and Fund Balances	\$	6,776,093	\$	11,501,876	\$	3,371,111	\$	2,616,481
Accounted, and I and Dalances	Ψ	0,110,000	Ψ	11,001,070	Ψ	0,011,111	Ψ	2,010,701

	Capital	Other overnmental		-	
	Grants		Funds		Total
\$	_	\$	3,258,195	\$	15,942,675
*	-	Ψ.	-	Ť	1,801,323
	-		103,457		1,459,249
	-		69,072		254,546
	-		-		115,355
	559,916		368,657		928,573
	-		- 270 166		791,138
	-		270,166		1,679,075 1,493,281
	-		-		4,428,669
	_		_		1,140
\$	559,916	\$	4,069,547	\$	28,895,024
	333,333		.,,.	Ť	
\$	95,291	\$	196,657	\$	747,590
	29		17,914		381,296
	-		14,242		234,133
	464,486		326,652		791,138
	-		270,166		270,166 4,042,747
	550 806	-	825,631		6,467,070
	559,806		023,031		0,407,070
	125,412		84,707		210,119
	125,412		84,707		210,119
					4 4 4 6
	-		-		1,140
	-		2,321,175		4,934,820
	-		2,021,170		3,371,029
	-		62,885		62,885
	_		49,455		49,455
	-		282,509		282,509
	-		-		11,378,091
			82,879		82,879
	-		404,000		404,000
	(125,302)		(43,694)		1,651,027
	(125,302)		3,159,209		22,217,835
\$	559,916	\$	4,069,547	\$	28,895,024



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City of San Fernando Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2019

Fund Balances for Governmental Funds	\$ 22,217,835
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 Accumulated Depreciation	104,893,526 (61,299,007)
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, 2019:	
Net Pension Liability Compensated Absences Other Post-employment Benefits (OPEB) Liability 2016 Installment Sale Agreement Premium on 2016 Installment Sale Agreement Interest Payable on Long-term Debt	(33,346,054) (1,405,857) (37,568,297) (2,555,000) (114,222) (7,670)
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 Deferred Inflows Related to Pensions Deferred Outflows Related to OPEB Deferred Inflows Related to OPEB	6,794,243 (1,215,259) 1,020,618 (2,999,635)
Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	210,119
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.	(1,743,477)
Net Position of Governmental Activities	\$ (7,118,137)

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, 2019

			Special Revenue					
		General	F	Retirement	•			
		Fund		Tax		Housing	Measure R	
REVENUES								
Taxes	\$	13,684,497	\$	4,746,491	\$	-	\$	305,904
Licenses and Permits		354,143		-		-		-
Charges for Services		989,986		-		-		-
Fines and Forfeitures		569,984		-		-		-
Investment Earnings		630,067		130,826		86,089		53,878
Intergovernmental		2,508,362		-		-		-
Other		421,325						
Total Revenues		19,158,364		4,877,317		86,089		359,782
EXPENDITURES								
Current:								
General Government		2,912,857		2,635,809		-		-
Public Safety		10,843,918		963,642		-		-
Community Development		1,026,623		101,143		2,552		-
Public Works		1,267,925		223,054		-		3,872
Parks and Recreation		1,344,036		93,229		-		-
Capital Outlay		163,231		-		-		158,536
Debt Service:								
Principal		-		-		-		85,000
Interest and Fiscal Charges						-		94,588
Total Expenditures		17,558,590		4,016,877		2,552		341,996
Excess of Revenues Over (Under)								
Expenditures	_	1,599,774		860,440		83,537		17,786
OTHER FINANCING SOURCES (USES)								
Transfers In		509,642		_		_		_
Transfers Out		(80,000)		-		-		-
Total Other Financing Sources (Uses)		429,642						
Net Change in Fund Balances		2,029,416		860,440		83,537		17,786
Fund Balances, Beginning of Year		(208,253)		10,517,651		3,287,492		2,595,859
Fund Balances, End of Year	\$	1,821,163	\$	11,378,091	\$	3,371,029	\$	2,613,645

 Capital Grants	Go	Other overnmental Funds	Total
\$ - - -	\$	1,643,147 - 385,946 13,518	\$ 20,380,039 354,143 1,375,932 583,502
 1,049,595 -		88,737 1,624,212 6,080	 989,597 5,182,169 427,405
 1,049,595		3,761,640	 29,292,787
- 33,139		9,458 49,342	5,558,124 11,890,041
-		693	1,131,011
722		1,406,013	2,901,586
-		239,033	1,676,298
429,558		489,615	1,240,940
-		-	85,000 94,588
463,419		2,194,154	24,577,588
 586,176		1,567,486	 4,715,199
 <u>-</u>		40,000 (389,642)	549,642 (469,642)
		(349,642)	 80,000
586,176		1,217,844	4,795,199
(711,478)		1,941,365	 17,422,636
\$ (125,302)	\$	3,159,209	\$ 22,217,835

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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 4,795,199
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 Depreciation Expense	1,176,821 (2,581,319)
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 Amortization of Premium on Installment Sale Agreement	85,000 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 Net Pension Liability Other Post-employment Benefit Liability Accrued Interest Payable	(113,939) (506,945) (1,217,587) 212
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 Deferred Inflows Related to Pensions Deferred Outflows Related to OPEB Deferred Inflows Related to OPEB	(1,253,414) (826,096) 28,907 392,021
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.	(562,471)
The change in net position of the internal service fund is reported with governmental activities.	 (312,666)
Change in Net Position of Governmental Activities	\$ (890,566)

City of San Fernando Statement of Net Position Proprietary Funds

June 30, 2019

		Governmental Activities Internal Service			
	Water	Sewer	se Funds Nonmajor	Totals	Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 5,752,770	\$ 4,581,184	\$ 157,830	\$ 10,491,784	\$ 2,653,429
Customer Accounts Receivable, Net	595,271	495,249	5,570	1,096,090	35,829
Inventory	-	-	-	-	41,776
Prepaid Items	80		402.400	80	0.704.004
Total Current Assets	6,348,121	5,076,433	163,400	11,587,954	2,731,034
Noncurrent Assets:					
Advances to Other Funds	-	947,927	-	947,927	-
Capital Assets:					
Land	26,345	-	-	26,345	-
Water Rights	624,659	45.700	-	624,659	-
Construction in Progress	150,587	15,732	-	166,319	-
Buildings and Plant	5,630,795	118,500	-	5,749,295	-
Infrastructure	16,464,066	6,375,451	-	22,839,517	-
Land Improvements Equipment	1,676,392 7,115,655	1,028,299	53,657	1,676,392 8,197,611	-
Less: Accumulated Depreciation	(20,901,317)	(4,754,524)	(43,260)	(25,699,101)	-
Total Noncurrent Assets	10,787,182	3,731,385	10,397	14,528,964	·
Total Assets	17,135,303	8,807,818	173,797	26,116,918	2,731,034
Total Assets	17,133,303	0,007,010	173,737	20,110,910	2,731,034
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Actuarial Amounts	77,656	11,094	-	88,750	-
Pension Actuarial Amounts	877,100	623,687		1,500,787	
Total Deferred Outflows of Resources	954,756	634,781		1,589,537	
LIABILITIES					
Current Liabilities:					
Accounts Payable	252,796	28,265	32,456	313,517	198,954
Accrued Liabilities	21,593	12,701	· -	34,294	19,947
Current Portion of Insurance Payable	-	-	-	-	81,057
Current Portion of Claims Payable	-	-	-	-	933,884
Current Portion of Compensated Absences	92,430	61,620	-	154,050	-
Customer Deposits	177,111			177,111	
Total Current Liabilities	543,930	102,586	32,456	678,972	1,233,842
Noncurrent Liabilities:					
Advances From other Funds	1,066,438	267,411	_	1,333,849	_
Insurance Assessment Payable	-	-	_		567,399
Claims Payable	_	_	_	_	2,585,020
Compensated Absences	56,425	37,616	-	94,041	-,,
Net OPEB Liability	3,977,819	2,651,880	-	6,629,699	-
Net Pension Liability	4,110,712	2,923,038	-	7,033,750	-
Total Noncurrent Liabilities	9,211,394	5,879,945	-	15,091,339	3,152,419
Total Liabilities	9,755,324	5,982,531	32,456	15,770,311	4,386,261
DEFERRED INFLOWS OF RESOURCES					-
OPEB Actuarial Amounts	317,608	211,739		529,347	
Pension Actuarial Amounts	167,797	119,317	_	287,114	-
Total Deferred Inflows of Resources	485,405	331,056		816,461	· ——
	+00,+00	331,030		510,701	·———
NET POSITION					
Net Investment In Capital Assets	10,787,182	2,783,458	10,397	13,581,037	-
Unrestricted	(2,937,852)	345,554	130,944	(2,461,354)	(1,655,227)
Total Net Position	\$ 7,849,330	\$ 3,129,012	\$ 141,341	11,119,683	\$ (1,655,227)
Adjustment to reflect the consolidation of intern	al service				
fund activities related to enterprise funds	IG. 301 VI00			88,250	
Net Position of Business-type Activities				\$ 11,207,933	
Her i oblight of business-type Activities				Ψ 11,201,333	:

City of San Fernando Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds

Year Ended June 30, 2019

	Business-type Activities Enterprise Funds						Governmental Activities Internal Service		
		Water		Sewer	N	lonmajor	Totals		Funds
OPERATING REVENUES Charges for Services Other	\$	4,409,795 17,018	\$	3,449,801 -	\$	111,356 12,415	\$ 7,970,952 29,433	\$	3,375,652 926,234
Total Operating Revenues		4,426,813		3,449,801		123,771	8,000,385		4,301,886
OPERATING EXPENSES Contractual Services Maintenance and Operations Administration and General Claims Depreciation Total Operating Expenses Operating Income (Loss)		19,337 3,486,962 - 597,856 4,104,155 322,658		1,028,541 2,502,249 - 145,052 3,675,842 (226,041)		80,953 - - 2,629 83,582 40,189	 1,047,878 6,070,164 - - 745,537 7,863,579 136,806		698,622 2,441,570 1,670,275 - 4,810,467 (508,581)
Operating income (Loss)		322,030		(220,041)		40,103	 130,000		(300,301)
NONOPERATING REVENUES (EXPENSES) Interest Income Interest Expense		172,906 (22,325)		165,464 -		3,186 -	 341,556 (22,325)		39,642
Total Nonoperating Revenues (Expenses)		150,581		165,464		3,186	319,231		39,642
Income (Loss) Before Transfers		473,239		(60,577)		43,375	456,037		(468,939)
Transfers In Transfers Out		- (120,000)		- (60,000)		- -	- (180,000)		100,000
Change in Net Position		353,239		(120,577)		43,375	276,037		(368,939)
Net Position, Beginning of Year		7,496,091		3,249,589		97,966			(1,286,288)
Net Position, End of Year	\$	7,849,330	\$	3,129,012	\$	141,341		\$	(1,655,227)
Adjustment to reflect the consolidation of internal fund activities related to enterprise funds	servi	ce					(56,273)		
Change in Net Position of Business-type Activitie	s						\$ 219,764		

City of San Fernando Statement of Cash Flows Proprietary Funds

Year Ended June 30, 2019

	Business-type Activities Enterprise Funds							overnmental Activities ernal Service	
	Water		Sewer	N	lonmajor		Totals		Funds
Cash Flows from Operating Activities									
Receipts from Customers and Users	\$ 4,407,3		3,441,606	\$	108,428	\$	7,957,370	\$	3,366,323
Payments to Suppliers and Contractors	(1,711,5		(2,474,832)		(49,395)		(4,235,800)		(2,371,090)
Payments to Employees	(1,576,9	<i>(</i> 30)	(1,039,080)		-		(2,616,010)		(926,376)
Claims Paid	17 (-	-		- 22,709		- 20 727		(466,371)
Other Operating Income Net Cash Flows from Operating Activities	17,0 1,135,8		(72,306)		81,742	_	39,727 1,145,287		926,234 528,720
Cash Flows from Noncapital Financing Activities	1,100,0		(12,000)		01,112		1,110,207		020,120
Loans from (to) Other Funds	(121,4	110)	145,615		_		24,205		_
Interest Expense Paid on Advances	(22,3		140,010		_		(22,325)		_
Transfers from Other Funds	(22,0	-	_		_		(22,020)		100,000
Transfers to Other Funds	(120,0	000)	(60,000)		_		(180,000)		-
Net Cash Flows from Noncapital Financing Activities	(263,7		85,615		-		(178,120)		100,000
Cash Flows from Capital Financing Activites	·								
Acquisition of Capital Assets	(216,6	604)	(30,675)		_		(247,279)		_
Cash Flows from Investing Activities									
Interest Received	172,9	906	165,464		3,186		341,556		39,642
Net Increase (Decrease) in Cash and Cash Equivalents	828,4	118	148,098		84,928		1,061,444		668,362
Cash and Cash Equivalents - Beginning of Year	4,924,3		4,433,086		72,902		9,430,340		1,985,067
Cash and Cash Equivalents - End of Year	\$ 5,752,7			\$	157,830	\$	10,491,784	\$	2,653,429
Caon and Caon Equivalente End of Toda	Ψ 0,102,1	<u>,,, </u>	γ -1,001,10 1	Ť	,	Ψ	10,401,704	Ψ	2,000,120
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Operating Income (Loss)	\$ 322,6	558	(226,041)	\$	40,189	\$	136,806	\$	(508,581)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:									
Depreciation	597,8	356	145,052		2,629		745,537		-
Changes in Assets and Liabilities:									
(Increase) Decrease in Accounts Receivable	21,4	119	(8,195)		7,366		20,590		(9,329)
(Increase) Decrease in Deferred Outflows - OPEB	(2,2	200)	(315)		-		(2,515)		-
(Increase) Decrease in Deferred Outflows - Pensions	197,4	188	153,267		-		350,755		-
(Increase) Decrease in Prepaids		(80)	-		-		(80)		(962)
Increase (Decrease) in Accounts Payable	122,5		(4,833)		31,558		149,241		(82,371)
Increase (Decrease) in Accrued Liabilities		323	(593)		-		1,730		7,116
Increase (Decrease) in Compensated Absences	12,0		8,042		-		20,106		-
Increase (Decrease) in Net OPEB Liability	128,9		85,948		-		214,868		-
Increase (Decrease) in Net Pension Liability	(310,7		(273,824)		-		(584,623)		-
Increase (Decrease) in Deferred Inflows - OPEB	(41,5		(27,672)		-		(69,181)		-
Increase (Decrease) in Deferred Inflows - Pensions	109,0	1/3	76,858		-		185,931		(04.057)
Increase (Decrease) in Ins. Assessments Payable		-	-		-		-		(81,057)
Increase (Decrease) in Claims Payable	(22.0	- 278\	-		-		(22 070)		1,203,904
Increase (Decrease) in Customer Deposits	(23,8		- (70.200)	Φ.	01 740	Φ.	(23,878)	_	F00 700
Net Cash Provided by Operating Activities	\$ 1,135,8	351	(72,306)	\$	81,742	\$	1,145,287	\$	528,720

City of San Fernando Statement of Net Position Fiduciary Funds

June 30, 2019

	Agency Funds		Succesor Agenc Private-purpose Trust Fund		
ASSETS					
Cash and Investments	\$	127,749	\$	4,454,498	
Receivables:					
Accounts		-		-	
Other Loans		-		543,678	
Land Held for Resale		-		468,733	
Restricted Assets: Cash and Investments with Fiscal Agents		-		479,693	
Č				· · · · · ·	
Total Assets	\$	127,749		5,946,602	
LIABILITIES					
Accounts Payable	\$	12,189		-	
Deposits		115,560		-	
Interest Payable		-		5,654	
Due to City of San Fernando		-		1,493,281	
County Deferral		-		2,525,046	
Bonds Payable				878,267	
Total Liabilities	\$	127,749		4,902,248	
NET POSITION					
Net Position Held in Trust for Successor Agency			\$	1,044,354	

City of San Fernando Statement of Changes in Net Position Fiduciary Funds

Year Ended June 30, 2019

	Succesor Agency Private-purpose <u>Trust Fund</u>
ADDITIONS Taxes Interest Income	\$ 1,260,359 2,782
Total Additions	1,263,141
DEDUCTIONS Administrative and Passthrough Costs Interest on Bonds	460,364 60,882
Total Deductions	521,246
Change in Net Position	741,895
Net Position - Beginning of Year	302,459
Net Position - End of Year	\$ 1,044,354

Year Ended June 30, 2019

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.

Year Ended June 30, 2019

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.

Year Ended June 30, 2019

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 <u>General Fund</u> 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 <u>Retirement Tax Special Revenue Fund</u> 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 <u>Housing Special Revenue Fund</u> 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 <u>Measure R Special Revenue Fund</u> 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 <u>Water Enterprise Fund</u> 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 <u>Sewer Enterprise Fund</u> 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 <u>Internal Service Funds</u> 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 <u>Successor Agency Private-purpose Trust Fund</u> 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.

Year Ended June 30, 2019

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

Year Ended June 30, 2019

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.

Year Ended June 30, 2019

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.

Year Ended June 30, 2019

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.

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

Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

<u>Committed</u> - 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.

<u>Assigned</u> - 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.

<u>Unassigned</u> - 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, andd 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.

Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Valuation Date June 30, 2017 Measurement Date June 30, 2018

Measurement Period July 1, 2017 to June 30, 2018

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 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 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.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Year Ended June 30, 2019

2) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2019:

		ernment-wide	St A	uciary Fund atement of ssets and Liabilities	Total		
	Net Position			Liabilities		Total	
Cash and Investments	\$	29,087,888	\$	4,582,247	\$	33,670,135	
Restricted Cash and Investments		1,801,323		479,693		2,281,016	
Total Cash and Investments	\$	30,889,211	\$	5,061,940	\$	35,951,151	

Cash and investments at June 30, 2019 consisted of the following:

Demand Deposits	\$ 9,705,505
Petty Cash	2,800
Investments	 26,242,846
Total Cash and Investments	\$ 35,951,151

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%
Commercial Paper	270 days	15%	5%
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
Municpal Bonds	5 years	None	N/A
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million
Money Market Mutual Funds	N/A	20%	10%

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

Year Ended June 30, 2019

2) CASH AND INVESTMENTS - Continued

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, 2019 is as follows:

	Remair			
	12 Months	13 to 24	25 to 60	
Investment Type	or Less	Months	Months	Fair Value
Local Agency Investment Fund	\$ 11,139,521	\$ -	\$ -	\$ 11,139,521
Money Market	45,493	-	-	45,493
Certificates of Deposit	-	734,126	4,693,969	5,428,095
U.S. Treasury Note	-	-	494,435	494,435
Federal Agency Securities	249,235	1,248,873	800,052	2,298,160
Corporate Medium-term Notes	199,823	851,238	3,204,171	4,255,232
Municipal Bonds	300,894	-	-	300,894
Held by Bond Trustees:				
Money Market Mutual Funds	2,281,016			2,281,016
Total	\$ 14,215,982	\$ 2,834,237	\$ 9,192,627	\$ 26,242,846

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:

			Rating as of Year End					
	Total	Minimum			No	t Required		
Investment Type	Investments	Legal Rating		AAA	to be Rated		Unrated	
Local Agency Investment Fund	\$ 11,139,521	N/A	\$	-	\$	-	\$ 11,139,521	
Money Market	45,493	N/A		-		-	45,493	
Certificates of Deposit	5,428,095	N/A		-		-	5,428,095	
U.S. Treasury Note	494,435	N/A		-		494,435		
Federal Agency Securities	2,298,160	N/A		2,298,160		-	-	
Corporate Medium-term Notes	4,255,232	AA		4,255,232		-	-	
Municipal Bonds	300,894	AA		300,894		-	-	
Held by Bond Trustees:								
Money Market Mutual Funds	2,281,016	AAA		2,281,016		<u>-</u>		
Total	\$ 26,242,846		\$	9,135,302	\$	494,435	\$ 16,613,109	

Concentration of Credit Risk

At June 30, 2019, the City had investments totaling \$1,499,260 in Federal Home Loan Mortgage Corp. securities, which represent more than 5% of total City investments.

Year Ended June 30, 2019

2) CASH AND INVESTMENTS - Continued

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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, 2019:

- U.S. Treasury Notes of \$494,435 are valued using quoted market prices (Level 1 inputs).
- Federal Agency Securities of \$2,298,160 are valued using a matrix pricing model (Level 2 inputs).
- Corporate Notes of \$4,255,232 are valued using a matrix pricing model (Level 2 inputs).
- Municipal Bonds of \$300,894 are valued using a matrix pricing model (Level 2 inputs).

Year Ended June 30, 2019

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To and Due From Other Funds

At June 30, 2019, \$791,138 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 \$464,486 loaned to the Capital Grants Fund and \$326,652 loaned to non-major governmental funds.

Long-term Advances

At June 30, 2019, the City reported the following interfund long-term advances:

			Α					
		Retirement		Other		Sewer		
		Tax Fund		Govt. Funds		Fund		Total
	General Fund	\$	3,893,847	\$	-	\$ 148,900	\$	4,042,747
ADVANCES	Water Fund		267,411		-	799,027		1,066,438
TO	Sewer Fund		267,411		-	-		267,411
	Total	\$	4,428,669	\$	-	\$ 947,927	\$	5,376,596

- (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, 2019, the outstanding balance due to the Retirement Tax Special Revenue Fund and the Sewer Enterprise Fund are \$148,900 and \$148,900, 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, 2019, the outstanding balance of the advance is \$799,027.
- (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 \$3,596,050, \$267,411, and \$267,411, 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

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, 2019, the outstanding balance is \$1,493,281.

Year Ended June 30, 2019

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Summary of Transfers In/Out

Transfers In	Transfers Out	Amount		
General Fund	Other Governmental Funds	\$	389,642	
	Water Enterprise Fund		60,000	
	Sewer Enterprise Fund		60,000	
Other Governmental Funds	General Fund		40,000	
Internal Service Fund	General Fund		40,000	
	Water Enterprise Fund		60,000	
		\$	649,642	

The transfers to the General Fund from the Other Governmental Funds of \$389,642 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 \$40,000 to other governmental funds to fund various project costs and to cover operating deficits. The General Fund also transferred \$40,000 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.

4) CAPITAL ASSETS

The following is a summary of capital assets activity for the 2018-19 fiscal year:

	Beginning			Ending
Governmental Activities:	Balance	Increases	Decreases	Balance
Capital Assets, Not Depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in Progress	2,011,292	906,690	1,590,556	1,327,426
Total Capital Assets Not Depreciated	6,408,397	906,690	1,590,556	5,724,531
Capital Assets, Being Depreciated:				
Buildings	28,628,398	1,430,944	-	30,059,342
Improvements Other than Buildings	5,263,941	-	-	5,263,941
Machinery and Equipment	9,189,532	192,681	258,221	9,123,992
Infrastructure	54,484,658	237,062		54,721,720
Total Capital Assets Being Depreciated	97,566,529	1,860,687	258,221	99,168,995
Less Accumulated Depreciation:				
Buildings	(11,100,995)	(789,795)	-	(11,890,790)
Improvements Other than Buildings	(3,525,010)	(171,458)	-	(3,696,468)
Machinery and Equipment	(7,917,861)	(349,021)	(258,221)	(8,008,661)
Infrastructure	(36,432,043)	(1,271,045)		(37,703,088)
Total Accumulated Depreciation	(58,975,909)	(2,581,319)	(258,221)	(61,299,007)
Net Capital Assets Being Depreciated	38,590,620	(720,632)		37,869,988
Total Capital Assets	\$ 44,999,017	\$ 186,058	\$ 1,590,556	\$ 43,594,519

Year Ended June 30, 2019

4) CAPITAL ASSETS - Continued

Pusings type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:	Dalalice	IIICIEases	Decieases	Dalarice
Capital Assets, Not Depreciated:		_		
Land	\$ 26,345	\$ -	\$ -	\$ 26,345
Water Rights	624,659	-	-	624,659
Construction in Progress	1,650,726	153,537	1,637,944	166,319
Total Capital Assets Not Depreciated	2,301,730	153,537	1,637,944	817,323
Capital Assets, Being Depreciated:				
Buildings	5,749,295	-	-	5,749,295
Improvements Other than Buildings	29,200	1,647,192	-	1,676,392
Machinery and Equipment	8,130,217	84,494	17,100	8,197,611
Infrastructure	22,839,517			22,839,517
Total Capital Assets Being Depreciated	36,748,229	1,731,686	17,100	38,462,815
Less Accumulated Depreciation:				
Buildings	(3,439,957)	(105,736)	-	(3,545,693)
Improvements Other than Buildings	(29,200)	(3,432)	-	(32,632)
Machinery and Equipment	(6,562,493)	(169,789)	(17,100)	(6,715,182)
Infrastructure	(14,939,014)	(466,580)		(15,405,594)
Total Accumulated Depreciation	(24,970,664)	(745,537)	(17,100)	(25,699,101)
Net Capital Assets Being Depreciated	11,777,565	986,149		12,763,714
Total Capital Assets	\$ 14,079,295	\$ 1,139,686	\$ 1,637,944	\$ 13,581,037

Depreciation expense was charged to functions/programs as follows:

	Governmental		Bus	siness-type		
Function/Program	Activities		Activities			Activities
General Government	\$	8,381	\$	-		
Public Safety		350,617		-		
Public Works		1,949,824		-		
Parks and Recreation		82,053		-		
Community Development		190,444		-		
Water		-		597,856		
Sewer		-		145,052		
Waste Disposal		-		2,629		
Total Depreciation	\$	2,581,319	\$	745,537		

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 \$270,166, when collected, are due back to the granting agency and, therefore, are reported as due to other agencies in the financial statements.

Year Ended June 30, 2019

6) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2019.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,640,000	\$ -	\$ 85,000	\$ 2,555,000	\$ 85,000
Premium	119,933	-	5,711	114,222	5,711
Claims Payable	2,315,000	2,214,443	1,010,539	3,518,904	933,884
Insurance Assessment Payable	729,513	-	81,057	648,456	81,057
Compensated Absences	1,291,918	646,847	532,908	1,405,857	872,950
Net Pension Liablity	32,839,109	506,945	-	33,346,054	-
Net OPEB Liablity	36,350,710	1,217,587	-	37,568,297	-
Total	\$ 76,286,183	\$ 4,585,822	\$ 1,715,215	\$ 79,156,790	\$ 1,978,602
Business-type Activities:					
Compensated Absences	\$ 227,985	\$ 114,149	\$ 94,043	\$ 248,091	\$ 154,050
Net Pension Liability	7,618,373	-	584,623	7,033,750	-
Net OPEB Liability	6,414,831	214,868	-	6,629,699	-
Total	\$ 14,261,189	\$ 329,017	\$ 678,666	\$ 13,911,540	\$ 154,050

The General Fund has typically been used in prior years to liquidate the compensated absences payable, Net Pension Liability and Net OPEB Liability.

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 Installment Sale Agreement contains a provision that in an event of default, outstanding amounts may become immediately due and payable. The following represents the future debt service requirements:

Fiscal Year Ending			
June 30,	Principal	Interest	Total
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	100,000	77,437	177,437
2025 - 2029	575,000	310,688	885,688
2030 - 2034	700,000	195,937	895,937
2035 - 2039	815,000	80,668	895,668
Totals	\$ 2,555,000	\$ 1,011,681	\$ 3,566,681

Year Ended June 30, 2019

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 2018-2019, the levy was \$0.227340 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
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	\$ 648,456

Year Ended June 30, 2019

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 \$136 per month for calendar year 2019. 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, 2019:

	Beginning Balance	 Additions	 eletions	Ending Balance	 ue Within ne Year
2016A Tax Allocation Bonds	\$ 1,695,000	\$ -	\$ 740,000	\$ 955,000	\$ 470,000
Discount on Bonds	(115,099)	-	(38,366)	(76,733)	-
County Deferral	2,570,465	165,190	210,609	2,525,046	 -
Total	\$ 4,150,366	\$ 165,190	\$ 912,243	\$ 3,403,313	\$ 470,000

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
2020	 470,000	14,616	484,616
2021	485,000	4,923	489,923
Totals	\$ 955,000	\$ 19,539	\$ 974,539

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, 2019, the balance reported in the Successor Agency Fiduciary Fund was \$2,525,046.

Year Ended June 30, 2019

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, 2017 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 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, 2019, are summarized as follows:

Miscellaneous

Miscellaneous

	Miscellaneous	Tier II	PEPRA	
	Prior to	Prior to	On or after	
Hire date	November 12, 2005	January 1, 2013	January 1, 2013	
Benefit formula	3% @ 60	2% @ 55	2% @ 62	
	single highest year	36 month average	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	14.793% + \$1,247,926	10.411% + \$24,997	7.383% + \$392	
	Safety Tier I	Safety Tier II	Safety Tier III	Safety PEPRA
	,	,	,	,
Hire date	Tier Í	Tier lĺ	Tier III	PEPRA
Hire date Benefit formula	Tier I Prior to	Tier II Prior to	Tier III Prior to	PEPRA On or after
	Tier Í Prior to January 6, 1994 3% @ 50	Tier II Prior to September 8, 2012 3% @ 50	Tier III Prior to January 1, 2013 3% @ 55	PEPRA On or after January 1, 2013 2.7% @ 55
Benefit formula	Tier I Prior to January 6, 1994 3% @ 50 single highest year	Tier II Prior to September 8, 2012 3% @ 50 36 month average	Tier III Prior to January 1, 2013 3% @ 55 36 month average	PEPRA On or after January 1, 2013 2.7% @ 55 36 month average
Benefit formula Benefit vesting schedule	Prior to January 6, 1994 3% @ 50 single highest year 5 years service	Prior to September 8, 2012 3% @ 50 36 month average 5 years service	Tier III Prior to January 1, 2013 3% @ 55 36 month average 5 years service	On or after January 1, 2013 2.7% @ 55 36 month average 5 years service
Benefit formula Benefit vesting schedule Benefit payments	Prior to January 6, 1994 3% @ 50 single highest year 5 years service monthly for life	Prior to September 8, 2012 3% @ 50 36 month average 5 years service monthly for life	Tier III Prior to January 1, 2013 3% @ 55 36 month average 5 years service monthly for life	On or after January 1, 2013 2.7% @ 55 36 month average 5 years service monthly for life
Benefit formula Benefit vesting schedule Benefit payments Retirement age Monthly benefits, as a % of eligible compensation	Tier I Prior to January 6, 1994 3% @ 50 single highest year 5 years service monthly for life 50 3%	Tier II Prior to September 8, 2012 3% @ 50 36 month average 5 years service monthly for life 50	Tier III Prior to January 1, 2013 3% @ 55 36 month average 5 years service monthly for life 55	PEPRA On or after January 1, 2013 2.7% @ 55 36 month average 5 years service monthly for life 55 2.7%
Benefit formula Benefit vesting schedule Benefit payments Retirement age Monthly benefits, as a %	Prior to January 6, 1994 3% @ 50 single highest year 5 years service monthly for life 50	Tier II Prior to September 8, 2012 3% @ 50 36 month average 5 years service monthly for life 50 3%	Tier III Prior to January 1, 2013 3% @ 55 36 month average 5 years service monthly for life 55 3%	PEPRA On or after January 1, 2013 2.7% @ 55 36 month average 5 years service monthly for life 55

Year Ended June 30, 2019

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 \$2,408,796 in fiscal year 2019.

The City's contributions to the Plan for the year ended June 30, 2019 were \$3,571,098.

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

As of June 30, 2019, the City reported a liability of \$40,379,804 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.40795%
Proportion - June 30, 2018	0.41904%
Change - Increase (Decrease)	0.01109%

For the year ended June 30, 2019, the City recognized pension expense of \$6,109,616. At June 30, 2019, 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	\$	3,571,098	\$	-
Differences between actual and expected experience		944,531		-
Changes in assumptions		3,451,718		-
Change in employer's proportion		-		1,182,350
Differences between the employer's contributions and				
the employer's proportionate share of contributions		91,793		320,023
Net differences between projected and actual				
earnings on plan investments		235,890		
Total	\$	8,295,030	\$	1,502,373

Year Ended June 30, 2019

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

The \$3,571,098 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, 2020. 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,	_	
2020	\$	3,373,843
2021		1,682,266
2022		(1,512,409)
2023		(322,143)
2024		-
Thereafter		-

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
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 mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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.

Year Ended June 30, 2019

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

The expected rate of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

	New Strategic	Real Return	Real Return
Asset Class	Allocation	Years 1 - 10 (1)	Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

⁽¹⁾ An expected inflation of 2.0% used for this period.

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	\$ 57,470,589
Current Discount Rate Net Pension Liability	\$ 7.15% 40,379,804
1% Increase	8.15%
Net Pension Liability	\$ 26,324,016

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, 2019, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2019.

⁽²⁾ An expected inflation of 2.92% used for this period.

Year Ended June 30, 2019

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 \$136 per month for calendar year 2019 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, 2018 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	96
Inactive employees entitled to but not yet receiving benefits	8
Active employees	100
	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, 2018 and was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

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 3.62% - Fidelity GO AA - 20-year Index

Year Ended June 30, 2019

8) OTHER POST-EMPLOYMENT BENEFITS - Continued

Changes in the Total OPEB Liability

	-	Total OPEB
	Li	ability (TOL)
Balance at June 30, 2017 (measurement date)	\$	42,765,541
Changes in the year:		
Service cost		1,380,011
Interest on the total OPEB liability		1,552,449
Differences between expected and actual experience		-
Assumption Changes		(425, 186)
Benefit payments, including refunds		(1,074,819)
Net changes		1,432,455
Balance at June 30, 2018 (measurement date)	\$	44,197,996

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	D	iscount Rate	1	% Increase		
		(2.62%) (3.62%)		(2.62%) (3.62%)		(3.62%)		(4.62%)
Total OPEB liability (asset)	\$	52,168,189	\$	44,197,996	\$	37,928,561		

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:

	Healthcare					
	19	1% Decrease		Trend		% Increase
Total OPEB liability (asset)	\$	36,984,145	\$	44,197,996	\$	53,566,446

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2019, the City recognized OPEB expense of \$2,049,199. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	 rred Outflows Resources	Deferred Inflows of Resources		
OPEB Contributions Subsequent to the Measurement Date	\$ 1,109,368	\$	-	
Changes of Assumptions	-		3,528,982	
Net differences between projected and actual earnings on plan investments	<u>-</u>		<u>-</u>	
Total	\$ 1,109,368	\$	3,528,982	

Year Ended June 30, 2019

8) OTHER POST-EMPLOYMENT BENEFITS - Continued

The \$1,109,368 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2020. 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,	
2020	\$ (886,388)
2021	(886,388)
2022	(886,388)
2023	(804,957)
2024	(64,861)
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.

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, 2019, the amount of these liabilities was \$2,125,946. 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, 2019, the amount of these liabilities was \$1,392,958. This liability is the City's best estimate based on available information.

Year Ended June 30, 2019

9) SELF-INSURANCE PROGRAM - Continued

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 2018-19		F	Y 2017-18
Beginning of Year	\$	2,315,000	\$	3,367,000
Claims and Changes in Estimates		2,214,443		880,000
Claim Payments		(1,010,539)		(1,932,000)
End of Year	\$	3,518,904	\$	2,315,000

10) DEFICIT NET POSITION/FUND BALANCES

The following non-major governmental funds reported deficits in fund balances at June 30, 2019:

	Deficit
Non-major Funds:	
Traffic Safety	2,115
Operating Grants	22,819

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

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.

REQUIRED SUPPLEMENTARY INFORMATION

City of San Fernando Required Supplementary Information

For the Year Ended June 30, 2019

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

	Measurement Period								
		2018		2017					
Total OPEB Liability									
Service cost	\$	1,380,011	\$	1,601,768					
Interest on total OPEB liability		1,552,449		1,364,732					
Changes in assumptions		(425,186)		(4,804,507)					
Changes in benefits		-		-					
Benefit payments, including refunds		(1,074,819)		(1,064,148)					
Net change in total OPEB liability		1,432,455		(2,902,155)					
Total OPEB liability - beginning		42,765,541		45,667,696					
Total OPEB liability - ending	\$	44,197,996	\$	42,765,541					
Covered payroll	\$	8,291,994	\$	9,645,806					
Total OPEB liability as a percentage of covered payroll		533.02%		443.36%					

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

Notes to the Schedule of Changes in the City's Total OPEB Liability

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits

Benefit Changes: None

Changes in Assumptions: Discount rate was changed from 3.56% to 3.62% for the June 30, 2018 measurement period

City of San Fernando Required Supplementary Information

For the Year Ended June 30, 2019

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

					Proportionate	Plan Fiduciary
	Proportion of	Ρ	roportionate		Share of the Net	Net Position as
	the Net Pension	S	hare of Net	Covered	Pension Liability	a % of the Total
Measurement Date	Liability	Pe	nsion Liability	Payroll	as a % of Payroll	Pension Liability
2018	0.41904%	\$	40,379,804	\$ 7,636,028	528.81%	67.74%
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, 2019

Schedule of Pension Plan Contributions Last 10 Years*

Fiscal Year	ontractually Required ontributions	Re	ntributions in elation to the Actuarially Determined ontributions	Cont Defic (Ex	Covered Payroll	Contributions as a % of Covered Payroll		
2019	\$ 3,571,098	\$	(3,571,098)	\$	-	\$	8,514,403	41.94%
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, 6/30/2015,6/30/2016 and 6/30/2017

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances General Fund

	Budgeted	Amounts	Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 12,789,500	\$ 12,789,500	\$ 13,684,497	\$ 894,997
Licenses and Permits	258,000	258,000	354,143	96,143
Charges for Services	871,200	846,200	989,986	143,786
Fines and Forfeitures	607,800	607,800	569,984	(37,816)
Investment Earnings	235,000	389,000	630,067	241,067
Intergovernmental	2,480,382	2,480,382	2,508,362	27,980
Other	367,500	367,500	421,325	53,825
Total Revenues	17,609,382	17,738,382	19,158,364	1,419,982
EXPENDITURES				
Current:				
General Government:				
City Council	180,709	190,708	200,626	(9,918)
Treasurer	65,926	65,926	66,406	(480)
Administration	245,315	320,315	369,521	(49,206)
Personnel	259,209	262,081	237,542	24,539
City Attorney	220,803	270,803	314,063	(43,260)
City Clerk	171,730	173,961	159,488	14,473
Elections	40,000	40,000	39,075	925
Financial Management	483,698	484,294	467,917	16,377
Information Technology	251,279	221,779	204,796	16,983
Retirement and Nondepartmental	889,869	889,391	853,423	35,968
Public Safety:	,	,	,	,
Police	8,073,717	8,079,172	8,180,674	(101,502)
Fire	3,000,000	2,750,000	2,663,244	86,756
Community Development	1,084,184	1,135,637	1,026,623	109,014
Public Works	1,209,804	1,219,145	1,267,925	(48,780)
Parks and Recreation	1,289,727	1,307,227	1,344,036	(36,809)
Capital Outlay	97,000	197,543	163,231	34,312
Capital Cullay	37,000	107,040	100,201	04,012
Total Expenditures	17,562,970	17,607,982	17,558,590	49,392
Excess (Deficiency) of Revenues				
over Expenditures	46,412	130,400	1,599,774	1,469,374
OTHER FINANCING SOURCES (USES)				
Transfers In	509,642	509,642	509,642	
Transfers Out			•	200.000
Transfers Out	(380,000)	(380,000)	(80,000)	300,000
Total Other Financing Sources (Uses)	129,642	129,642	429,642	300,000
Net Change in Fund Balances	176,054	260,042	2,029,416	1,769,374
Fund Balance, Beginning of Year	(208,253)	(208,253)	(208,253)	
Fund Balance, End of Year	\$ (32,199)	\$ 51,789	\$ 1,821,163	\$ 1,769,374

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Retirement Tax Fund

	Budgeted	Amounts	Actual	Variance with			
	Original	Final	Amounts	Final Budget			
REVENUES Taxes Investment Earnings	\$ 4,485,400 -	\$ 4,485,400 -	\$ 4,746,491 130,826	\$ 261,091 130,826			
Total Revenues	4,485,400	4,485,400	4,877,317	391,917			
EXPENDITURES Current:							
General Government	3,061,757	3,061,757	2,635,809	425,948			
Public Safety	917,483	917,483	963,642	(46,159)			
Public Works	214,244	214,244	223,054	(8,810)			
Parks and Recreation	91,070	91,070	93,229	(2,159)			
Community Development	100,859	100,859	101,143	(284)			
Total Expenditures	4,385,413	4,385,413	4,016,877	368,536			
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,987	99,987	860,440	760,453			
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	274,868 	274,868		(274,868)			
Total Other Financing Sources (Uses)	274,868	274,868		(274,868)			
Net Change in Fund Balances	374,855	374,855	860,440	485,585			
Fund Balance, Beginning of Year	10,517,651	10,517,651	10,517,651				
Fund Balance, End of Year	\$ 10,892,506	\$ 10,892,506	\$ 11,378,091	\$ 485,585			

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Measure R Fund

		Budgeted	Amo	ounts		Actual	Variance with		
	Original			Final	A	Amounts	Final Budget		
REVENUES									
Taxes	\$	298,155	\$	298,155	\$	305,904	\$	7,749	
Investment Earnings	-	8,500		8,500		53,878		45,378	
Total Revenues		306,655		306,655		359,782		53,127	
EXPENDITURES									
Current:									
Public Works		3,000		3,000		3,872		(872)	
Capital Outlay		225,000		2,501,582		158,536	:	2,343,046	
Debt Service:									
Principal		80,000		80,000		85,000		(5,000)	
Interest and Fiscal Charges		97,000		97,000		94,588		2,412	
Total Expenditures		405,000		2,681,582		341,996		2,339,586	
F (D.f.::) -f D									
Excess (Deficiency) of Revenues Over (Under) Expenditures		(98,345)	(2	2,374,927)		17,786	:	2,392,713	
Fund Balance, Beginning of Year	2	2,595,859		2,595,859		2,595,859			
Fund Balance, End of Year	\$ 2	2,497,514	\$	220,932	\$ 2	2,613,645	\$ 2	2,392,713	

City of San Fernando Notes to Required Supplementary Information

Year Ended June 30, 2019

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 2018-19 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

	Budgeted		
	Amounts	Actual	Variance with
	Final	Amounts	Final Budget
REVENUES			
Intergovernmental	\$ 8,873,600	\$ 1,049,595	\$ (7,824,005)
Total Revenues	8,873,600	1,049,595	(7,824,005)
EXPENDITURES			
Current:			
Public Safety	20,600	33,139	(12,539)
Public Works	-	722	(722)
Parks and Recreation	-	-	-
Capital Outlay	11,534,913	429,558	11,105,355
Total Expenditures	11,555,513	463,419	11,092,094
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,681,913)	586,176	3,268,089
Fund Balance, Beginning of Year	(711,478)	(711,478)	
Fund Balance, End of Year	\$ (3,393,391)	\$ (125,302)	\$ 3,268,089

City of San Fernando Other Governmental Funds

June 30, 2019

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, 2019

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.

Community Development Surcharge – Accounts for receipts of business license and building related surcharges and disbursements which fund building ongoing programs to promote disabled accessibility and the City's land management enterprise software.

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, 2019

	Pro	pposition A Local Transit	position C cretionary	Traffic Safety	Ma	Parking aintenance and perations	Tran	Local sportation
ASSETS								
Cash and Investments	\$	153,566	\$ 21,335	\$ -	\$	413,781	\$	12,501
Receivables: Taxes		_	_	_		1,977		_
Accounts		908	-	1,969		-		_
Grants		-	-	-		-		-
Loans Receivable			 	 				
Total Assets	\$	154,474	\$ 21,335	\$ 1,969	\$	415,758	\$	12,501
LIABILITIES								
Accounts Payable	\$	80,708	\$ -	\$ -	\$	8,973	\$	12,500
Accrued Liabilities		164	-	42		1,718		-
Deposits		-	-	-		1,067		-
Due to Other Funds		-	-	4,042		-		-
Due to Other Agencies			 	 			-	
Total Liabilities		80,872	 	 4,084		11,758		12,500
DEFERRED INFLOWS								
Unavailable Revenues - Grants			 	 				
FUND BALANCES								
Restricted for:								
Transportation		73,602	21,335	-		-		1
Air Pollution Parks and Recreation		-	-	-		-		-
Public Safety		-	_	_		_		-
Community Development		_	_	_		_		_
Parking		-	-	-		404,000		-
Unassigned			 	 (2,115)				
Total Fund Balances		73,602	 21,335	(2,115)		404,000		1
Total Liabilities, Deferred Inflows								
and Fund Balances	\$	154,474	\$ 21,335	\$ 1,969	\$	415,758	\$	12,501

Re	ecreation	mby Act ees	Street Lighting	ate Asset orfeiture	State Gas Tax		,	ederal Asset orfeiture	 AQMD	
\$	69,192	\$ 155	\$ 130,728	\$ 37,951	\$	58,633	\$	8,635	\$ 54,612	
	-	-	12,689	-		-		-	8,273	
	-	-	-	-		-		-	-	
	-	 	 	 					 	
\$	69,192	\$ 155	\$ 143,417	\$ 37,951	\$	58,633	\$	8,635	\$ 62,885	
\$	11,435 8,305	\$ - 152	\$ 1,206 3,155	\$ -		16,387 519	\$	- -	\$ - -	
	- - -	- - -	- - -	- - -		- - -		- - -	- - -	
	19,740	 152	4,361	 		16,906			 	
		 <u>-</u> .		 				-	 	
	40.450	-	-	- -		41,727 -		- -	- 62,885	
	49,452 -	3 -	- 139,056	- 37,951		-		- 8,635	-	
	-	-	-	-		-		-	-	
			 						<u> </u>	
	49,452	3	 139,056	 37,951		41,727		8,635	 62,885	
\$	69,192	\$ 155	\$ 143,417	\$ 37,951	\$	58,633	\$	8,635	\$ 62,885	

Continued

City of San Fernando Combining Balance Sheet Other Governmental Funds - Continued

June 30, 2019

	sh-in-Lieu f Parking	 avement nagement	Pro	pposition C	Community Development Block Grant		Dev	mmunity relopment ircharge
ASSETS								
Cash and Investments	\$ 442,128	\$ 13,753	\$	576,542	\$	-	\$	32,982
Receivables:								
Taxes	-	-		-		-		-
Accounts	-	-		-		318,825		172
Grants Loans Receivable	-	-		-		270,166		-
Loans Neceivable	 	 				270,100		<u> </u>
Total Assets	\$ 442,128	\$ 13,753	\$	576,542	\$	588,991	\$	33,154
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$	687	\$	44,018	\$	17
Accrued Liabilities	-	-		1,319		-		10
Deposits	-	-		-		-		-
Due to Other Funds	-	-		-		274,808		-
Due to Other Agencies	 	 				270,166		
Total Liabilities	 	 		2,006		588,992		27
DEFERRED INFLOWS								
Unavailable Revenues - Grants	 	 				18,759		
FUND BALANCES								
Restricted for:								
Transportation	442,128	13,753		574,536		-		-
Air Pollution	-	-		-		-		-
Parks and Recreation	-	-		-		-		-
Public Safety Community Development	-	-		-		-		33,127
Parking	_	_		_		_		-
Unassigned	_	_		_		(18,760)		-
S								
Total Fund Balances	 442,128	 13,753		574,536		(18,760)		33,127
Total Liabilities, Deferred Inflows								
and Fund Balances	\$ 442,128	\$ 13,753	\$	576,542	\$	588,991	\$	33,154

	perating Grants		STP cal Fund		SLESF	M	easure M		Road iintenance & Rehab		Capital Outlay	Total
	Oranto		bai i ana		OLLOI		Casare IVI	_	x r (criab		Odilay	Total
\$	-	\$	5,389	\$	96,867	\$	566,543	\$	513,150	\$	49,752	\$ 3,258,195
									80,518			103,457
	10,075		_		55,948		_		-		_	69,072
	49,832		_		-		_		_		_	368,657
	-		-		-		-		-		-	270,166
\$	59,907	\$	5,389	\$	152,815	\$	566,543	\$	593,668	\$	49,752	\$ 4,069,547
Ť		Ť		Ť		Ť				Ť	,	
\$	9,219	\$	-	\$	-	\$	11,035	\$	472	\$	-	\$ 196,657
	2,530		-		-		-		-		-	17,914
	13,175 47,802		-		-		-		-		-	14,242 326,652
	47,002		-		_		_		_		_	270,166
												270,100
	72,726		-		-		11,035		472		_	825,631
	10,000				55,948							84,707
	10,000				33,340							04,707
			5.000				FFF F00		500 400			0.004.475
	-		5,389		-		555,508		593,196		-	2,321,175 62,885
	_		-		-		_		_		_	49,455
	-		-		96,867		-		-		-	282,509
	_		_		-		_		_		49,752	82,879
	-		-		-		-		-		-	404,000
	(22,819)						-				_	(43,694)
	(22,819)		5,389		96,867		555,508		593,196		49,752	3,159,209
	<u> </u>											
\$	59,907	\$	5,389	\$	152,815	\$	566,543	\$	593,668	\$	49,752	\$ 4,069,547

City of San Fernando

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Other Governmental Funds

	Pro	pposition A	_					Parking intenance		
		Local Transit			Traffic Safety		and Operations		Local Transportation	
				<u> </u>						
Taxes Charges for Services	\$	491,583 17,571	\$	-	\$	-	\$	59,985 152,079	\$	- -
Fines and Forfeitures Investment Earnings Intergovernmental		4,131 -		649 -		12,664 - -		33,547		- 195 16,611
Other										-
Total Revenues		513,285		649		12,664		245,611		16,806
EXPENDITURES Current:										
General Government		-		-		-		-		-
Public Safety Community Development		-		-		-		-		-
Public Works Parks and Recreation		494,603		-		-		159,783		-
Capital Outlay										16,805
Total Expenditures		494,603						159,783		16,805
Excess (Deficiency) of Revenues Over (Under) Expenditures		18,682		649		12,664		85,828		1_
OTHER FINANCING SOURCES (USES) Transfers In		_		_		_		_		_
Transfers Out						(10,000)				
Total Other Financing Sources (Uses)						(10,000)				
Net Change in Fund Balances		18,682		649		2,664		85,828		1
Fund Balances, Beginning of Year		54,920		20,686		(4,779)		318,172		
Fund Balances, End of Year	\$	73,602	\$	21,335	\$	(2,115)	\$	404,000	\$	1

Red	creation	•		Street Lighting			State Gas Tax		Federal Asset Forfeiture		AQMD	
\$	- 177,239	\$ -	\$	339,262	\$	-	\$	-	\$	-	\$	-
	- - -	3 - -		- - -		119 714 - -		- - 504,965 -		735 243 - -		2,716 31,910 6,080
	177,239	3		339,262		833		504,965		978		40,706
	- -	- -		-		- -		-		- -		- -
	- - 174,641	- - -		- 279,977 -		- - -		- 275,078 -		- - -		- - -
	- 174,641	<u>-</u> 		279,977		-		275,078				83,293 83,293
	2,598	 3		59,285		833		229,887		978		(42,587)
	- -	 - -		40,000 -		<u>-</u>		- (254,642)		- -		- -
		 		40,000				(254,642)				
	2,598	3		99,285		833		(24,755)		978		(42,587)
	46,854	 		39,771		37,118		66,482		7,657		105,472
\$	49,452	\$ 3	\$	139,056	\$	37,951	\$	41,727	\$	8,635	\$	62,885

Continued

City of San Fernando

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Other Governmental Funds - Continued

	Cash-in-Lieu Pavement of Parking Management Proposition C		Proposition C	Community Development Block Grant	Community Development Surcharge	
REVENUES Taxes Charges for Services Fines and Forfeitures Investment Earnings	\$ - - - 8,321	\$ - - - 419	\$ 407,754 - - 13,061	\$ - - - -	\$ - 39,057 - 443	
Intergovernmental Other		- -		327,666	11,127	
Total Revenues	8,321	419	420,815	327,666	50,627	
EXPENDITURES Current:						
General Government Public Safety	-	-	-	-	-	
Community Development Public Works	-	-	- 175,926	- 3,146	- 17,500	
Parks and Recreation Capital Outlay				331,025		
Total Expenditures			175,926	334,171	17,500	
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,321	419	244,889	(6,505)	33,127	
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	 	<u>-</u>			<u> </u>	
Total Other Financing Sources (Uses)						
Net Change in Fund Balances	8,321	419	244,889	(6,505)	33,127	
Fund Balances, Beginning of Year	433,807	13,334	329,647	(12,255)		
Fund Balances, End of Year	\$ 442,128	\$ 13,753	\$ 574,536	\$ (18,760)	\$ 33,127	

perating Grants	STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab	Capital Outlay	Total	
\$ - -	\$ - -	\$ - -	\$ 344,563 -	\$ -	\$ - -	\$ 1,643,147 385,946	
 132,031 -	699 - 	3,050 148,746 	12,276 - -	8,270 451,156	- - -	13,518 88,737 1,624,212 6,080	
 132,031	031 699 151,796		356,839	459,426		3,761,640	
9,458	_	_	_	_	_	9,458	
49,342	-	-	-	-	-	49,342	
693	-	-	-	-	-	693	
<u>-</u>	-	-	-	-	-	1,406,013	
64,392	-	-	- 59.020	- 472	-	239,033	
 <u> </u>			58,020	472		489,615	
 123,885			58,020	472		2,194,154	
8,146	699	151,796	298,819	458,954		1,567,486	
 - -	-	- (125,000)	<u>-</u>		- -	40,000 (389,642)	
		(125,000)				(349,642)	
8,146	699	26,796	298,819	458,954	-	1,217,844	
 (30,965)	4,690	70,071	256,689	134,242	49,752	1,941,365	
\$ (22,819)	\$ 5,389	\$ 96,867	\$ 555,508	\$ 593,196	\$ 49,752	\$ 3,159,209	

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

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget	
REVENUES Taxes Charges for Services Investment Earnings	\$ 479,258 26,500	\$ 491,583 17,571 4,131	\$ 12,325 (8,929) 4,131	
Total Revenues	505,758	513,285	7,527	
EXPENDITURES Current:				
Public Works	489,758	494,603	(4,845)	
Total Expenditures	489,758	494,603	(4,845)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,000	18,682	2,682	
OTHER FINANCING SOURCES (USES) Transfers In				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	16,000	18,682	2,682	
Fund Balance, Beginning of Year	54,920	54,920		
Fund Balance, End of Year	\$ 70,920	\$ 73,602	\$ 2,682	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Proposition C Discretionary Fund

	Budgeted Amounts Actual Final Amounts		Variance with Final Budget	
REVENUES Investment Earnings Intergovernmental	\$ - -	\$ 649 -	\$ 649 	
Total Revenues		649	649	
EXPENDITURES Capital Outlay	775,000		775,000	
Total Expenditures	775,000		775,000	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(775,000)	649	775,649	
Fund Balance, Beginning of Year	20,686	20,686		
Fund Balance, End of Year	\$ (754,314)	\$ 21,335	\$ 775,649	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Traffic Safety Fund

	Budgeted Amounts Final	Amounts Actual	
REVENUES Fines and Forfeitures Other	\$ 10,000 	\$ 12,664 	\$ 2,664
Total Revenues	10,000	12,664	2,664
EXPENDITURES Current: Public Works Capital Outlay	- -	<u>-</u>	<u>-</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	12,664	2,664
OTHER FINANCING SOURCES (USES) Transfers Out	(10,000)	(10,000)	
Total Other Financing Sources (Uses)	(10,000)	(10,000)	
Net Change in Fund Balances	-	2,664	2,664
Fund Balance, Beginning of Year	(4,779)	(4,779)	
Fund Balance, End of Year	\$ (4,779)	\$ (2,115)	\$ 2,664

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Parking Maintenance and Operations Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Taxes Charges for Services Investment Earnings	\$ 45,000 130,000 24,800	\$ 59,985 152,079 33,547	\$ 14,985 22,079 8,747
Total Revenues	199,800	245,611	45,811
EXPENDITURES Current: Public Works	219,505	159,783	59,722
Capital Outlay	150,000	139,763	150,000
Total Expenditures	369,505	159,783	209,722
Excess (Deficiency) of Revenues Over (under) Expenditures	(169,705)	85,828	255,533
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out			<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(169,705)	85,828	255,533
Fund Balance, Beginning of Year	318,172	318,172	
Fund Balance, End of Year	\$ 148,467	\$ 404,000	\$ 255,533

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Local Transportation Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget	
REVENUES Investment Earnings Intergovernmental	\$ - 16,610	\$ 195 16,611	\$ 195 1	
Total Revenues	16,610	16,806	196	
EXPENDITURES Current:				
Public Works Capital Outlay	29,111	16,805	12,306	
Total Expenditures	29,111	16,805	12,306	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,501)	1	12,502	
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	<u>-</u>		<u>-</u>	
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(12,501)	1	12,502	
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ (12,501)	\$ 1	\$ 12,502	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Recreation Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget	
REVENUES Charges for Services	\$ 168,634	\$ 177,239	\$ 8,605	
Charges for dervices	ψ 100,004	Ψ 177,233	ψ 0,000	
Total Revenues	168,634	177,239	8,605	
EXPENDITURES				
Current: Parks and Recreation	177,230	174,641	2,589	
Capital Outlay				
Total Expenditures	177,230	174,641	2,589	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,596)	2,598	11,194	
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	<u>-</u>	<u>-</u>		
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(8,596)	2,598	11,194	
Fund Balance, Beginning of Year	46,854	46,854		
Fund Balance, End of Year	\$ 38,258	\$ 49,452	\$ 11,194	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Quimby Act Fees Fund

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

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Street Lighting Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Taxes	\$ 337,250	\$ 339,262	\$ 2,012
Total Revenues	337,250	339,262	2,012
EXPENDITURES Current: Public Works Capital Outlay	414,244 	279,977	134,267
Total Expenditures	414,244	279,977	134,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,994)	59,285	136,279
OTHER FINANCING SOURCES (USES) Transfers In	40,000	40,000	
Total Other Financing Sources (Uses)	40,000	40,000	
Net Change in Fund Balances	(36,994)	99,285	136,279
Fund Balance, Beginning of Year	39,771	39,771	
Fund Balance, End of Year	\$ 2,777	\$ 139,056	\$ 136,279

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - State Asset Forfeiture Fund

	Budgeted Amounts Final		Amounts Actual		Variance with Final Budget			
REVENUES Fines and Forfeitures Investment Earnings	\$	\$ -		\$ - -		119 714	\$	119 714
Total Revenues				833		833		
EXPENDITURES Current: Public Safety Capital Outlay		<u>-</u>		- -		- -		
Total Expenditures								
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>-</u>		833		833		
OTHER FINANCING SOURCES (USES) Transfers Out								
Total Other Financing Sources (Uses)								
Net Change in Fund Balances		-		833		833		
Fund Balance, Beginning of Year		37,118		37,118				
Fund Balance, End of Year	\$	37,118	\$	37,951	\$	833		

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - State Gas Tax Fund

	Budgeted Amounts Actual Final Amounts		Variance with Final Budget	
REVENUES				
Investment Earnings Intergovernmental	\$ - 622,947	\$ - 504,965	(117.082)	
mergovernmental	022,941	304,903	(117,982)	
Total Revenues	622,947	504,965	(117,982)	
EXPENDITURES Current:				
Public Works	444,054	275,078	168,976	
Capital Outlay				
Total Expenditures	444,054	275,078	168,976	
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	178,893	229,887	50,994	
OTHER FINANCING SOURCES (USES) Transfers In	<u>-</u>	-	<u>-</u>	
Transfers Out	(254,642)	(254,642)		
Total Other Financing Sources (Uses)	(254,642)	(254,642)		
Net Change in Fund Balances	(75,749)	(24,755)	50,994	
Fund Balance, Beginning of Year	66,482	66,482		
Fund Balance, End of Year	\$ (9,267)	\$ 41,727	\$ 50,994	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Federal Asset Forfeiture Fund

	Budgeted Amounts Final		Amounts Actual		Variance with Final Budget	
REVENUES Fines and Forfeitures Investment Earnings	\$ - 		\$	735 243	\$	735 243
Total Revenues				978		978
EXPENDITURES Capital Outlay						
Total Expenditures						
Excess (Deficiency) of Revenues Over (Under) Expenditures				978		978
OTHER FINANCING SOURCES (USES) Transfers Out						
Total Other Financing Sources (Uses)						
Net Change in Fund Balances		-		978		978
Fund Balance, Beginning of Year		7,657		7,657		
Fund Balance, End of Year	\$	7,657	\$	8,635	\$	978

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - AQMD Fund

	Budgeted Amounts Actual Final Amounts		Variance with Final Budget
REVENUES Investment Earnings Intergovernmental Other	\$ - 30,000 	\$ 2,716 31,910 6,080	\$ 2,716 1,910 6,080
Total Revenues	30,000	40,706	10,706
EXPENDITURES Current: Public Works Capital Outlay	- 66,386	- 83,293	- (16,907)
Total Expenditures	66,386	83,293	(16,907)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,386)	(42,587)	(6,201)
OTHER FINANCING SOURCES (USES) Transfers In		<u>-</u> _	
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(36,386)	(42,587)	(6,201)
Fund Balance, Beginning of Year	105,472	105,472	
Fund Balance, End of Year	\$ 69,086	\$ 62,885	\$ (6,201)

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Cash-in-Lieu of Parking Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget	
REVENUES Investment Earnings Other	\$ - -	\$ 8,321 	\$ 8,321 	
Total Revenues		8,321	8,321	
OTHER FINANCING SOURCES (USES) Transfers In				
Total Other Financing Sources (Uses)		<u> </u>		
Net Change in Fund Balances	-	8,321	8,321	
Fund Balance, Beginning of Year	433,807	433,807		
Fund Balance, End of Year	\$ 433,807	\$ 442,128	\$ 8,321	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Pavement Management Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Investment Earnings Other	\$ - -	\$ 419 	\$ 419
Total Revenues		419	419
EXPENDITURES Current: General Government	_	_	_
Capital Outlay	13,300		13,300
Total Expenditures	13,300		13,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,300)	419	13,719
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out		<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(13,300)	419	13,719
Fund Balance, Beginning of Year	13,334	13,334	
Fund Balance, End of Year	\$ 34	\$ 13,753	\$ 13,719

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Proposition C Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Taxes Investment Earnings	\$ 397,532 500	\$ 407,754 13,061	\$ 10,222 12,561
Total Revenues	398,032	420,815	22,783
EXPENDITURES			
Current: Public Works Capital Outlay	271,392 325,000	175,926 -	95,466 325,000
Total Expenditures	596,392	175,926	420,466
Excess (Deficiency) of Revenues Over (Under) Expenditures	(198,360)	244,889	443,249
OTHER FINANCING SOURCES (USES) Transfers In Transfers Out	<u> </u>	- -	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(198,360)	244,889	443,249
Fund Balance, Beginning of Year	329,647	329,647	
Fund Balance, End of Year	\$ 131,287	\$ 574,536	\$ 443,249

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

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ -	\$ -	\$ -
Investment Earnings	-	-	(00.470)
Intergovernmental	367,144	327,666	(39,478)
Total Revenues	367,144	327,666	(39,478)
EXPENDITURES			
Current:			
Community Development	-	-	-
Public Works	-	3,146	(3,146)
Capital Outlay	371,222	331,025	40,197
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges			
Total Expenditures	371,222	334,171	37,051
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(4,078)	(6,505)	(2,427)
OTHER FINANCING SOURCES (USES) Transfers In			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(4,078)	(6,505)	(2,427)
Fund Balance, Beginning of Year	(12,255)	(12,255)	
Fund Balance, End of Year	\$ (16,333)	\$ (18,760)	\$ (2,427)

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Community Development Surcharge Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Charges for Services Investment Earnings Intergovernmental Total Revenues	\$ 25,000 - - 25,000	\$ 39,057 443 11,127 50,627	\$ 14,057 443 11,127 25,627
EXPENDITURES Current: Community Development Public Works Capital Outlay Debt Service:		17,500	7,500
Principal Interest and Fiscal Charges Total Expenditures	25,000	17,500	7,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	33,127	33,127
OTHER FINANCING SOURCES (USES) Transfers In	<u> </u>	<u> </u>	
Total Other Financing Sources (Uses)	<u> </u>	33,127	33,127
Net Change in Fund Balances Fund Balance, Beginning of Year			
Fund Balance, End of Year	\$ -	\$ 33,127	\$ 33,127

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Operating Grants Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget	
REVENUES Investment Earnings Intergovernmental Other	\$ - 163,583 	\$ - 132,031 -	\$ - (31,552)	
Total Revenues	163,583	132,031	(31,552)	
EXPENDITURES				
Current: General Government Public Safety Community Development Public Works	10,000 86,483 -	9,458 49,342 693	542 37,141 (693)	
Parks and Recreation	67,100	64,392	2,708	
Total Expenditures	163,583	123,885	39,698	
Excess (Deficiency) of Revenues Over (Under) Expenditures		8,146	8,146	
OTHER FINANCING SOURCES (USES) Transfers In				
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	-	8,146	8,146	
Fund Balance, Beginning of Year	(30,965)	(30,965)		
Fund Balance, End of Year	\$ (30,965)	\$ (22,819)	\$ 8,146	

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - STP Local Fund

	A	Budgeted Amounts Final		Actual Amounts		nce with Budget
REVENUES Investment Earnings Intergovernmental Other	\$	- - -	\$	699 - -	\$	699 - -
Total Revenues				699		699
EXPENDITURES Current: Public Safety Public Works Capital Outlay		- - -		- - -		- - -
Total Expenditures						
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>-</u>		699		699
OTHER FINANCING SOURCES (USES) Transfers In		<u>-</u>				
Total Other Financing Sources (Uses)						
Net Change in Fund Balances		-		699		699
Fund Balance, Beginning of Year		4,690		4,690		
Fund Balance, End of Year	\$	4,690	\$	5,389	\$	699

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - SLESF Local Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Investment Earnings Intergovernmental Other	\$ - 110,000 -	\$ 3,050 148,746	\$ 3,050 38,746
Total Revenues	110,000	151,796	41,796
EXPENDITURES Current: Public Safety			
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	110,000	151,796	41,796
OTHER FINANCING SOURCES (USES) Transfers Out	(125,000)	(125,000)	
Total Other Financing Sources (Uses)	(125,000)	(125,000)	
Net Change in Fund Balances	(15,000)	26,796	41,796
Fund Balance, Beginning of Year	70,071	70,071	
Fund Balance, End of Year	\$ 55,071	\$ 96,867	\$ 41,796

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Measure M Fund

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Taxes Investment Earnings Other	\$ 337,092 - -	\$ 344,563 12,276	\$ 7,471 12,276
Total Revenues	337,092	356,839	19,747
EXPENDITURES Current: Public Works Capital Outlay	- 501,864	58,020	- 443,844
Total Expenditures	501,864	58,020	443,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164,772)	298,819	463,591
OTHER FINANCING SOURCES (USES) Transfers Out			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(164,772)	298,819	463,591
Fund Balance, Beginning of Year	256,689	256,689	
Fund Balance, End of Year	\$ 91,917	\$ 555,508	\$ 463,591

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

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES Taxes Investment Earnings Intergovernmental	\$ - - 406,616	\$ - 8,270 451,156	\$ - 8,270 44,540
Total Revenues	406,616	459,426	52,810
EXPENDITURES Capital Outlay	406,616	472	406,144
Total Expenditures	406,616	472	406,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	- _	458,954	458,954
OTHER FINANCING SOURCES (USES) Transfers Out			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	-	458,954	458,954
Fund Balance, Beginning of Year	134,242	134,242	
Fund Balance, End of Year	\$ 134,242	\$ 593,196	\$ 458,954

City of San Fernando Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Capital Outlay Fund

	A	Budgeted Amounts Final		Actual Amounts		Variance with Final Budget	
REVENUES Taxes	\$		\$		\$		
Total Revenues							
EXPENDITURES Capital Outlay							
Total Expenditures							
Excess (Deficiency) of Revenues Over (Under) Expenditures							
OTHER FINANCING SOURCES (USES) Transfers In							
Total Other Financing Sources (Uses)					-		
Net Change in Fund Balances		-		-		-	
Fund Balance, Beginning of Year		49,752		49,752			
Fund Balance, End of Year	\$	49,752	\$	49,752	\$	-	

NONMAJOR ENTERPRISE FUNDS

City of San Fernando Nonmajor Enterprise Funds

June 30, 2019

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, 2019

	Compressed Natural Gas		Waste Disposal		Totals
ASSETS Current Assets:					
Cash and Investments	\$ 111,784	\$	46,046	\$	157,830
Accounts Receivable	2,928		2,642		5,570
Total Current Assets	114,712		48,688		163,400
Noncurrent Assets:					
Capital Assets:					
Equipment	-		53,657		53,657
Accumulated Depreciation	-		(43,260)		(43,260)
Total Noncurrent Assets	-		10,397		10,397
Total Assets	114,712		59,085		173,797
LIABILITIES					
Current Liabilities:					
Accounts Payable	32,456		-		32,456
Accrued Liabilities	 				-
Total Current Liabilities	 32,456				32,456
NET POSITION					
Net Investment In Capital Assets	-		10,397		10,397
Unrestricted	82,256		48,688		130,944
Total Net Position	\$ 82,256	\$	59,085	\$	141,341

City of San Fernando Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Enterprise Funds

	Compressed Natural Gas		Waste Disposal			Totals	
OPERATING REVENUES Charges for Services Other	\$	111,356 5,999	\$	- 6,416	\$	111,356 12,415	
Total Operating Revenues		117,355		6,416		123,771	
OPERATING EXPENSES Maintenance and Operations Depreciation		80,355 -		598 2,629		80,953 2,629	
Total Operating Expenses		80,355		3,227		83,582	
Operating Income (Loss)		37,000		3,189		40,189	
NONOPERATING REVENUES (EXPENSES) Interest Income		2,046		1,140		3,186	
Total Nonoperating Revenues (Expenses)		2,046		1,140		3,186	
Income (Loss) Before Transfers		39,046		4,329		43,375	
Transfers In Transfers Out		- -		-		-	
Change in Net Position		39,046		4,329		43,375	
Net Position, Beginning of Year		43,210		54,756		97,966	
Net Position, End of Year	\$	82,256	\$	\$ 59,085		141,341	

City of San Fernando Combining Statement of Cash Flows Nonmajor Enterprise Funds

	Compressed Natural Gas		Waste Disposal		Totals
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from Customers and Users Payments to Suppliers and Contractors Other Operating Income	\$	108,428 (48,797) 5,999	\$	- (598) 16,710	\$ 108,428 (49,395) 22,709
Net Cash from Operating Activities		65,630		16,112	 81,742
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers from Other Funds Transfers to Other Funds		-		- -	- -
Net Cash from Noncapital Financing Activities					
CASH FLOWS FROM INVESTING ACTIVITIES Interest Received		2,046		1,140	3,186
Net Increase (Decrease) in Cash		67,676		17,252	84,928
Cash and Cash Equivalents - Beginning of Year		44,108		28,794	72,902
Cash and Cash Equivalents - End of Year	\$	111,784	\$	46,046	\$ 157,830
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$	37,000	\$	3,189	\$ 40,189
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation		-		2,629	2,629
Changes in Assets and Liabilities: (Increase) Decrease in Accounts Receivable Increase (Decrease) in Accounts Payable		(2,928) 31,558		10,294 -	7,366 31,558
Net Cash Provided by Operating Activities	\$	65,630	\$	16,112	\$ 81,742

INTERNAL SERVICE FUNDS

City of San Fernando Combining Statement of Net Position Internal Service Funds

June 30, 2019

Englishing	
Internal Service Funds	;
Governmental Activitie	s

		11110	ziiiai					
	Equipment Facilities			acilities				
	Re	placement	Maintenance		Self Insurance	Totals		
ASSETS								
Current Assets:								
Cash and Investments	\$	748,410	\$	178,541	\$ 1,726,478	\$ 2,653,429		
Accounts Receivable		1,814		107	33,908	35,829		
Inventory		41,776		-	-	41,776		
Total Current Assets		792,000		178,648	1,760,386	2,731,034		
LIABILITIES								
Current Liabilities:								
Accounts Payable		56,830		115,599	26,525	198,954		
Accrued Liabilities		6,228		13,719	-	19,947		
Insurance Assessment Payable - Current		-		-	81,057	81,057		
Claims Payable - Current				-	933,884	933,884		
Total Current Liabilities		63,058		129,318	1,041,466	1,233,842		
Noncurrent Liabilities:								
Insurance Assessment Payable		-		-	567,399	567,399		
Claims Payable		-		-	2,585,020	2,585,020		
Total Noncurrent Liabilities		-		-	3,152,419	3,152,419		
Total Liabilities		63,058		129,318	4,193,885	4,386,261		
NET POSITION								
Unrestricted		728,942		49,330	(2,433,499)	(1,655,227)		
Total Net Position	\$	728,942	\$	49,330	\$ (2,433,499)	\$ (1,655,227)		

City of San Fernando Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds

Year Ended June 30, 2019

Governmental Activities Internal Service Funds

	E	quipment		Facilities		
	Re	placement	Maintenance		Self Insurance	Totals
OPERATING REVENUES Charges for Services	\$	797,723	\$	1,420,674	\$ 1,157,255	\$ 3,375,652
Other		93,200	·	· · ·	833,034	926,234
Total Operating Revenues		890,923		1,420,674	1,990,289	4,301,886
OPERATING EXPENSES						
Administration and General		322,522		1,307,620	811,428	2,441,570
Maintenance and Operations		470,379		228,243	- , -	698,622
Claims		-			1,670,275	1,670,275
Gianno .					1,010,210	1,010,210
Total Operating Expenses		792,901		1,535,863	2,481,703	4,810,467
Operating Income (Loss)		98,022		(115,189)	(491,414)	(508,581)
NONOPERATING REVENUES (EXPENSES)						
Interest Income		13,240		5,235	21,167	39,642
Interest Expense		-		-	,	-
•						
Total Nonoperating Revenues (Expenses)		13,240		5,235	21,167	39,642
Income (Loss) Before Transfers		111,262		(109,954)	(470,247)	(468,939)
Transfers In		40,000		_	60,000	100,000
Transfers Out		· -		-	-	-
Change in Net Position		151,262		(109,954)	(410,247)	(368,939)
Net Position, Beginning of Year		577,680		159,284	(2,023,252)	(1,286,288)
Net Position, End of Year	\$	728,942	\$	49,330	\$ (2,433,499)	\$ (1,655,227)

City of San Fernando Combining Statement of Cash Flows Internal Service Funds

Year Ended June 30, 2019

	Governmental Activities Internal Service Funds							
		quipment	Facilities		0 - 16 1			Tatala
CASH FLOWS FROM OPERATING ACTIVITIES	Re	placement	IVI	aintenance	<u>Se</u>	elf Insurance		Totals
Cash Received from Interfund Services Provided	\$	795,909	\$	1,420,567	\$	1,149,847	\$	3,366,323
Cash Paid to Suppliers for Goods and Services		(479,779)	·	(929,603)		(961,708)	•	(2,371,090)
Cash Paid to Employees		(306,302)		(620,074)		-		(926,376)
Claims Paid		-		-		(466,371)		(466,371)
Other Operating Income		93,200				833,034		926,234
Net Cash from Operating Activities		103,028		(129,110)		554,802		528,720
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers from Other Funds Transfers to Other Funds		40,000		- -		60,000		100,000
Net Cash from Noncapital Financing Activities		40,000		_		60,000		100,000
CASH FLOWS FROM INVESTING ACTIVITIES		· · · · · · · · · · · · · · · · · · ·				· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·
Interest Received		13,240		5,235		21,167		39,642
Net Increase (Decrease) in Cash		156,268		(123,875)		635,969		668,362
Cash and Cash Equivalents - Beginning of Year		592,142		302,416		1,090,509		1,985,067
Cash and Cash Equivalents - End of Year	\$	748,410	\$	178,541	\$	1,726,478	\$	2,653,429
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:								
Operating Income (Loss)	\$	98,022	\$	(115,189)	\$	(491,414)	\$	(508,581)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:								
Changes in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable		(1,814)		(107)		(7,408)		(9,329)
(Increase) Decrease in Inventory		(962)		(00.440)		-		(962)
Increase (Decrease) in Accounts Payable		6,968 814		(20,116)		(69,223)		(82,371)
Increase (Decrease) in Accrued Liabilities Increase (Decrease) in Insurance Payable		014		6,302		- (81,057)		7,116 (81,057)
Increase (Decrease) in Claims Payable		-		-		1,203,904		1,203,904
1 230 (B coroaco) in ciamio i ajubio						.,_00,001		.,_00,001

Net Cash from Operating Activities

\$ 103,028 \$ (129,110) \$ 554,802 \$

528,720

City of San Fernando Fiduciary Fund June 30, 2019

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

	eginning Balance	 Additions	 Deletions	Ending Balance	
ASSETS Cash and Investments Accounts Receivable	\$ 115,372 585	\$ 174,872 -	\$ 162,495 585	\$ 127,749 -	
Total Assets	\$ 115,957	\$ 174,872	\$ 163,080	\$ 127,749	
LIABILITIES Accounts Payable Deposits	\$ 15,719 100,238	\$ 160,234 174,286	\$ 163,764 158,964	\$ 12,189 115,560	
Total Liabilities	\$ 115,957	\$ 334,520	\$ 322,728	\$ 127,749	



SECTION III. Statistical Section

City of San Fernando Description of Statistical Section Contents June 30, 2019

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:	Pages
<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
Revenue Capacity 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
Operating Information these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	146

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

	Fiscal Year							
	2010	2011	2012	2013				
Governmental activities:								
Net investment in capital assets Restricted Unrestricted	\$ 42,262,518 14,364,410 (17,503,004)	\$ 43,598,683 13,040,082 (19,365,287)	\$ 50,993,498 2,533,805 (14,057,614)	\$ 49,532,007 1,802,498 (16,643,447)				
Total governmental activities net position	\$ 39,123,924	\$ 37,273,478	\$ 39,469,689	\$ 34,691,058				
Business-type activities:								
Net investment in capital assets Restricted	\$ 15,547,758 -	\$ 15,324,618	\$ 14,811,543 -	\$ 14,420,860				
Unrestricted	7,206,906	7,733,239	7,887,577	8,492,168				
Total business-type activities net position	\$ 22,754,664	\$ 23,057,857	\$ 22,699,120	\$ 22,913,028				
Primary government:								
Net investment in capital assets Restricted Unrestricted	\$ 57,810,276 14,364,410 (10,296,098)	\$ 58,923,301 13,040,082 (11,632,048)	\$ 65,805,041 2,533,805 (6,170,037)	\$ 63,952,867 1,802,498 (8,151,279)				
Total primary government net position	\$ 61,878,588	\$ 60,331,335	\$ 62,168,809	\$ 57,604,086				

Source: City Finance Department

Fiscal Year

2014	2015	2016	2017	2010	2010	
2014	2015	2016	2017	2018	2019	
\$ 47,859,172 11,909,107	\$ 45,956,739 5,887,197	\$ 44,313,624 5,926,880 (39,587,196)	\$ 41,001,890 5,847,710	\$ 42,239,084 17,998,631 (66,465,286)	\$ 40,925,297 20,621,615 (68,665,049)	
(20,208,301)	(40,687,419)	(39,387,190)	(32,938,991)	(66,465,286)	(68,665,049)	
\$ 39,559,978	\$ 11,156,517	\$ 10,653,308	\$ 13,910,609	\$ (6,227,571)	\$ (7,118,137)	
\$ 14,866,478	\$ 14,634,533	\$ 14,592,937	\$ 14,515,239	\$ 14,079,295	\$ 13,581,037	
8,626,377	8,157,375	7,404,904	3,639,086	(3,091,126)	(2,373,104)	
\$ 23,492,855	\$ 22,791,908	\$ 21,997,841	\$ 18,154,325	\$ 10,988,169	\$ 11,207,933	
\$ 62,725,650 11,909,107 (11,581,924)	\$ 60,591,272 5,887,197 (32,530,044)	\$ 58,906,561 5,926,880 (32,182,292)	\$ 55,517,129 5,847,710 (29,299,905)	\$ 56,318,379 17,998,631 (69,556,412)	\$ 54,506,334 20,621,615 (71,038,153)	
\$ 63,052,833	\$ 33,948,425	\$ 32,651,149	\$ 32,064,934	\$ 4,760,598	\$ 4,089,796	

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

	Fiscal Year						
	2010	2011	2012	2013			
Expenses:							
Governmental activities:							
General government	\$ 8,393,942	\$ 9,051,209	\$ 6,397,275	\$ 6,459,914			
Public safety	9,917,154	10,137,119	10,346,561	9,414,862			
Community development	5,547,132	3,658,552	1,944,293	999,751			
Public works	5,591,332	4,960,530	5,423,605	5,503,387			
Parks and recreation	2,960,683	2,375,034	2,145,767	2,224,370			
Interest on long-term debt	1,141,113	1,092,731	509,971	72,425			
Total governmental activities expenses	33,551,356	31,275,175	26,767,472	24,674,709			
Business-type activities:							
Water	3,282,758	3,227,843	3,248,148	3,172,962			
Sewer	2,614,749	1,867,044	2,445,675	2,802,013			
Compressed Natural Gas	-	-	-	_			
Waste disposal	1,098,303	1,077,641	1,027,810	1,021,804			
Total business-type activities expenses	6,995,810	6,172,528	6,721,633	6,996,779			
Total primary government expenses	40,547,166	37,447,703	33,489,105	31,671,488			
Program revenues:							
Governmental activities: Charges for services:							
General government	2,698,964	2,503,993	584,356	513,512			
Public safety	1,642,838	1,583,487	1,359,010	1,553,828			
Community development	425,299	581,323	413,067	295,199			
Public works	975,160	903,323	565,723	757,265			
Parks and recreation	871,337	526,198	458,090	576,507			
Operating grants and contributions	3,287,154	4,432,649	3,197,798	3,139,513			
Capital grants and contributions	1,094,301	1,896,595	930,527	719,000			
Total governmental activities program revenues	10,995,053	12,427,568	7,508,571	7,554,824			
Business-type activities:		<u> </u>					
Charges for services:							
Water	2,737,198	3,064,458	2,769,412	3,291,272			
Sewer	2,367,243	2,383,329	2,580,623	2,892,407			
Compressed Natural Gas	-	-	-	-			
Waste disposal	1,110,869	1,125,037	1,122,709	1,131,929			
Total business-type activities program revenues	6,215,310	6,572,824	6,472,744	7,315,608			
Total primary government program revenues	17,210,363	19,000,392	13,981,315	14,870,432			
Net revenues (expenses):		_	_				
Governmental activities	(22,556,303)	(18,847,607)	(19,258,901)	(17,119,885)			
Business-type activities	(780,500)	400,296	(248,889)	318,829			
Total net revenues (expenses)	(23,336,803)	(18,447,311)	(19,507,790)	(16,801,056)			

Source: City Finance Department

Fiscal	l Year
riscai	ı ı caı

		Fiscal	Year		
2014	2015	2016	2017	2018	2019
\$ 4,619,200	\$ 4,935,760	\$ 7,744,559	\$ 4,769,539	\$ 5,003,034	\$ 7,604,642
10,190,441	10,731,526	10,122,343	13,881,037	13,046,118	13,844,371
981,236	988,973	1,358,166	1,349,334	1,275,585	1,357,983
6,052,317	7,017,740	5,380,601	5,306,102	4,966,748	5,085,991
1,781,749	1,740,259	1,963,627	1,926,959	1,735,878	1,819,230
58,565	170,118	56,803	120,506	128,661	88,665
23,683,508	25,584,376	26,626,099	27,353,477	26,156,024	29,800,882
2,981,710	3,204,499	3,260,071	3,692,438	3,389,704	4,154,617
2,893,127	2,491,408	4,556,154	3,651,883	4,458,457	3,703,978
2,093,127	2,491,400	4,550,154	3,031,003	42,825	80,355
827,986	16 72 /	27,550	92,446	5,898	3,227
6,702,823	16,734 5,712,641	7,843,775	7,436,767	7,896,884	7,942,177
30,386,331	31,297,017	34,469,874	34,790,244	34,052,908	37,743,059
30,300,331	31,277,017	31,100,071	31,770,211	31,032,700	37,713,037
020 224	750.207	647.141	502.207	505 511	002.206
820,334	758,286	647,141	583,386	595,511	882,306
1,538,619	1,407,121	2,367,700	1,235,131	1,243,148	1,196,184
431,884	412,683	339,593	380,342	400,844	525,102
912,209	763,728	414,979	438,527	423,286	462,055
564,742	397,055	254,491	475,553	445,635	439,805
2,851,032	3,386,430	2,409,666	2,272,862	3,032,809	2,777,539
1,204,330	704,193	1,042,672	1,732,169	1,910,721	1,154,463
8,323,150	7,829,496	7,476,242	7,117,970	8,051,954	7,437,454
3,806,797	3,849,880	3,813,635	4,274,122	4,411,292	4,426,813
3,326,587	3,401,436	3,336,251	3,368,071	3,435,103	3,449,801
=	=	-	-	68,467	117,355
858,516	-	6,651	12,984	16,994	6,416
7,991,900	7,251,316	7,156,537	7,655,177	7,931,856	8,000,385
16,315,050	15,080,812	14,632,779	14,773,147	15,983,810	15,437,839
(15,360,358)	(17,754,880)	(19,149,857)	(20,235,507)	(18,104,070)	(22,363,428)
1,289,077	1,538,675	(687,238)	218,410	34,972	58,208
(14,071,281)	(16,216,205)	(19,837,095)	(20,017,097)	(18,069,098)	(22,305,220)

(Continued)

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

		Fiscal	Year	
	2010	2011	2012	2013
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property	\$ 13,101,490	\$ 12,596,288	\$ 10,198,997	\$ 6,650,806
Sales and use	2,478,957	2,323,994	2,380,675	2,637,297
Property taxes in lieu of sales and use taxes	927,430	596,449	603,373	867,581
Business license taxes	-	-	1,082,584	1,031,924
Franchise	341,642	333,522	307,119	297,319
Other taxes	-	-	1,002,816	357,190
Intergovernmental, unrestricted	74,236	115,898	264,443	-
Investment income	264,448	244,419	918	1,530
Gain on sale of property	-	298,411	120,000	-
Other	1,014,000	1,467,179	562,404	376,607
Transfers	340,902	121,000	121,000	121,000
Extraordinary gain			4,810,783	
Total governmental activities	18,543,105	18,097,160	21,455,112	12,341,254
Business-type activities:				
Investment income	45,256	23,897	11,152	16,079
Other	-	-	-	-
Transfers	(340,902)	(121,000)	(121,000)	(121,000)
Total business-type activities	(295,646)	(97,103)	(109,848)	(104,921)
Total primary government	18,247,459	18,000,057	21,345,264	12,236,333
Changes in net position:				
Governmental activities	(4,013,198)	(750,447)	2,196,211	(4,778,631)
Business-type activities	(1,076,146)	303,193	(358,737)	213,908
Total primary government	\$ (5,089,344)	\$ (447,254)	\$ 1,837,474	\$ (4,564,723)

Source: City Finance Department

⁽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

	2014	2015	2016	2017	2018	2019		
\$	8,406,309	\$ 7,871,457	\$ 8,739,138	\$ 8,867,169	\$ 8,970,624	\$ 9,741,048	(1)	
Ψ	4,175,825	5,313,426	6,437,739	7,911,392	7,984,731	8,207,979	(-)	
	963,741	1,022,777	962,590	7,711,372	7,704,731	0,207,777		
	1,043,365	1,114,416	1,184,994	1,483,606	1,629,779	1,601,969	(1)	
	409,176	613,793	636,652	636,457	663,381	693,474	(1)	
	374,933	315,247	334,419	350,636	371,835	396,279	(1)	
	-	313,247	-	-	-	370,277	(-)	
	16,790	50,748	72,181	102,733	122,016	564,893		
	-	1,033,066	-	102,733	-	-		
	573,853	43,010	107,561	48,101	192,512	87,220		
	4,265,286	187,688	181,000	180,000	162,407	180,000		
	-	-	-	-	-	-	(2)	
	20,229,278	17,565,628	18,656,274	19,580,094	20,097,285	21,472,862		
	10,458	17,287	64,545	30,788	39,486	341,556		
	(719,708)	(187,688)	(181,000)	(180,000)	(162,407)	(180,000)		
	(709,250)	(170,401)	(116,455)	(149,212)	(122,921)	161,556	•	
	19,520,028	17,395,227	18,539,819	19,430,882	19,974,364	21,634,418		
	4.0.50.00	(400 4 = 5)	(400 500)	// 1:-:	4.000.0:-	(000.555)		
	4,868,920	(189,252)	(493,583)	(655,413)	1,993,215	(890,566)		
<u>\$</u>	579,827 5,448,747	1,368,274 \$ 1,179,022	(803,693)	\$ (586,215)	\$ 1,905,266	\$ (670,802)	-	
Ф	3,440,747	φ 1,1/9,022	φ (1,297,270)	φ (300,213)	φ 1,905,200	\$ (070,802)		

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

				Fiscal	Yea	r		
		2010		2011		2012		2013
General fund:								
Reserved	\$	768,679	\$	_	\$	-	\$	-
Unreserved		(666,295)		-		-		-
Total general fund	\$	102,384	\$	-	\$	-	\$	-
All other governmental funds:								
Reserved	\$	8,245,010	\$	-	\$	-	\$	-
Unreserved, reported in:								
Special revenue funds		(614,082)		-		-		-
Debt service funds		(2,222,757)		-		-		-
Capital projects funds		(2,759,950)		_				
Total all other governmental funds	\$	2,648,221	\$	-	\$	-	\$	
General fund:	¢		¢	227 279	¢	225 766	¢	202 021
Nonspendable	\$	-	\$	237,378	\$	335,766	\$	392,931
Unassigned				(856,695)		(1,572,548)	_	2,139,983)
Total general fund	\$		\$	(619,317)	\$	(1,236,782)	\$ (1,747,052)
All other governmental funds:								
Nonspendable	\$	-	\$	5,448,274	\$	492,395	\$	94,787
Restricted		-		2,890,223		2,199,614		1,836,005
Unassigned				(7,022,933)		(2,508,607)		(164,377)
Total all other governmental funds	\$	-	\$	1,315,564	\$	183,402	\$	1,766,415

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

Source: City Finance Department

Fiscal Year

2	014		2015	2016	2017	2018	2019
\$	-	\$	-	\$ -	\$ -	\$ -	\$ -
\$	<u>-</u>	\$	<u>-</u>	\$ -	\$ 	\$ -	\$ -
\$	-	\$	-	\$ -	\$ -	\$ -	\$ -
	-		-	-	- -	-	-
\$	<u>-</u>	\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ -
	739,783 433,688)	\$ (4	371,547 1,485,592)	\$ 329,717 (3,409,964)	\$ 66,703 (1,541,792)	\$ 66,308 (274,561)	\$ 1,140 1,820,023
	693,905)		4,114,045)	\$ (3,080,247)	\$ (1,475,089)	\$ (208,253)	\$ 1,821,163
11,	118,720 840,461 238,284)	\$ 12	- 2,970,716 (86,502)	\$ 16,579,665 (423,525)	\$ 1,000 17,727,008 (480,384)	\$ 1,896 18,388,470 (759,477)	\$ - 20,565,668 (168,996)
	720,897	\$ 12	2,884,214	\$ 16,156,140	\$ 17,247,624	\$	\$

City of San Fernando Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013						
Revenues:										
Taxes	\$ 18,114,573	\$ 17,433,856	\$ 14,941,249	\$ 11,120,845						
Licenses and permits	223,748	249,754	279,825	337,085						
Charges for services	2,876,980	2,697,601	1,508,783	2,714,937						
Fines and forfeitures	1,226,322	1,183,299	888,136	734,210						
Investment earnings	700,719	570,661	280,368	218,923						
Intergovernmental	6,017,833	7,005,399	5,234,049	4,467,012						
Sale of inventory	-	-	-	-						
Other	2,177,633	2,331,930	1,013,941	512,402						
Total revenues	31,337,808	31,472,500	24,146,351	20,105,414						
Expenditures										
Current:										
General government	7,870,484	7,710,354	4,623,271	4,967,021						
Public safety	10,382,127	10,556,689	9,961,760	9,032,340						
Community development	1,636,343	2,364,956	1,222,182	791,977						
Public works	3,274,845	3,085,317	3,748,331	4,034,856						
Parks and recreation	2,921,263	2,332,198	2,055,715	2,134,851						
Pass-throughs	1,745,906	1,712,477	1,067,046	-						
SERAF	2,063,811	424,902	-	-						
Capital outlay	989,588	2,835,433	-	427,999						
Debt service:										
Principal	1,663,887	1,933,535	-	268,000						
Interest and fiscal charges	932,410	870,409	378,568	72,425						
Cost of issuance				<u>-</u>						
Total expenditures	33,480,664	33,826,270	23,056,873	21,729,469						
Excess (deficiency) of revenues over										
(under) expenditures	(2,142,856)	(2,353,770)	1,089,478	(1,624,055)						
Other finencine sources (vess).										
Other financing sources (uses): Transfers in	(010 1(1	7 (02 420	2 222 411	2 220 174						
Transfers in Transfers out	6,818,161	7,603,439	3,233,411	3,338,164						
	(6,477,259)	(7,482,439)	(3,112,411)	(3,217,164)						
Payment to/from bond escrow agent	-	-	-	-						
Issuance of debt Discount	-	-	-	-						
	-	170 411	245,000	-						
Sale of property		178,411	245,000							
Total other financing sources (uses)	340,902	299,411	366,000	121,000						
Extraordinary gain (loss)			(1,723,105)							
Net change in fund balances	\$ (1,801,954)	\$ (2,054,359)	\$ (267,627)	\$ (1,503,055)						
Debt service as a percentage of										
noncapital expenditures	8.0%	9.0%	1.6%	1.6%						

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

					Fiscal	r ear					
2	014		2015		2016		2017		2018		2019
¢ 14	272 140	¢.	15 000 424	Φ	10 242 024	Φ	10 014 442	Φ	10 ((7.257	Φ	10 014 442
	,372,140	\$	15,890,424	\$	18,243,024	\$	18,814,442	\$	19,667,257	\$	18,814,442
	410,512 ,919,857		437,765		335,010		243,960		279,620 1,238,793		243,960
	,919,857 589,571		2,403,038 576,778		2,115,806 643,927		1,282,281 576,710		436,941		1,282,281
	•				•						576,710
4.	232,404 ,615,312		231,535 4,636,669		240,049 3,641,035		268,368 4,543,228		312,908 5,511,368		268,368 4,543,228
	-		-		-		-		-		-
1,	,013,376		402,521		423,599		383,686		526,313		383,686
24.	,153,172		24,578,730		25,642,450		26,112,675		27,973,200		26,112,675
	· · · · · · · · · · · · · · · · · · ·			_							
2.	,398,576		2,902,267		5,915,423		4,575,208		5,085,790		4,575,208
9.	,811,572		10,473,341		10,988,468		10,976,722		11,746,344		10,976,722
	775,446		779,446		1,021,757		1,093,430		1,056,819		1,093,430
	,248,932		4,675,026		3,284,258		2,890,550		2,849,581		2,890,550
	,693,085		1,649,985		1,774,799		1,730,136		1,604,650		1,730,136
•	-		-		-		-		-		-
	-		_		-		_		_		-
	464,855		239,126		1,291,817		2,017,716		3,755,234		2,017,716
	384,000		1,572,692		_		65,000		80,000		65,000
	58,565		170,118		27,559		147,271		134,681		147,271
	´ -		-		-		, -		, -		-
19,	,835,031		22,462,001		24,304,081		23,496,033		26,313,099		23,496,033
4.	,318,141		2,116,729		1,338,369		2,616,642		1,660,101		2,616,642
	· · · · · ·										
11.	,677,345		1,520,854		628,658		424,262		469,234		424,262
	,412,059)		(1,927,472)		(577,658)		(344,262)		(479,234)		(344,262)
	-		-		-		_		-		-
	_		_		2,785,000		_		=		-
	_		_		131,355		_		=		-
	_		1,033,066		, <u>-</u>		_		-		-
4.	,265,286		626,448	_	2,967,355	_	80,000		(10,000)		80,000
<u>-</u>		_	.	_		_	<u> </u>	_			
	-		<u>-</u>	_	-		<u>-</u>			_	
\$ 8,	,583,427	\$	2,743,177	\$	4,305,724	\$	2,696,642	\$	1,650,101	\$	2,696,642
	2.3%		7.8%		0.1%		1.0%		1.0%		0.9%

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
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%
2019	1,134,933,214	341,339,174	306,565,163	43,828,882	115,627,875		1,942,294,308	0.36433%

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	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	0.02311	0.04031	0.03530	0.04875	0.04454	0.04017	0.03575	0.03596	0.04599	0.04621
LA Unified School District	0.15181	0.18695	0.16819	0.17561	0.14644	0.14688	0.12971	0.13110	0.12219	0.12323
Metropolitan Water District	0.0043	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Tax District No. 1	0.2842	0.28420	0.28420	0.28420	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734
Direct and Overlapping Tax Rates ²	1.46342	1.51516	1.49139	1.51206	1.45102	1.43887	1.41659	1.40303	1.40406	1.40028
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	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734
Redevelopment Rate ⁴	1.28850	1.28790	1.28790	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.73077	0.73507	0.73170	0.73694	0.39186	0.38353	0.38306	0.36884	0.36854	0.36433

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 statue. 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

		2018/19	9			2009/10)
			Percent of				Percent of
			Total City				Total City
		Taxable	Taxable			Taxable	Taxable
_		Assessed	Assessed	_		Assessed	Assessed
Taxpayer		Value	Value	Taxpayer		Value	Value
CPF San Fernando LLC	\$	80,682,572	4.15%	CPF San Fernando LLC	\$	69,000,000	4.62%
Pharmavite LLC		40,637,954	2.09%	Pharmavite LLC		39,569,227	2.65%
SFVS Company LLC		23,324,612	1.20%	SFVS Company LLC		19,840,732	1.33%
Foothill HD Retail Center LLC		21,214,516	1.09%	Foothill HD Retail Center LLC		18,744,474	1.25%
Ahi Glenoaks Inc.		17,244,077	0.89%	Ahi Glenoaks Inc.		15,236,312	1.02%
San Fernando Gateway LLC		15,976,797	0.82%	San Fernando Gateway LLC		14,116,598	0.94%
315 Partners LLC		15,836,245	0.82%	315 Partners LLC		13,469,778	0.90%
YNG LLC		14,280,715	0.74%	San Fernando Associates		10,013,637	0.67%
San Fernando Associates		11,333,146	0.58%	Bernards San Fernando		9,640,430	0.65%
San Fernando Valley Automotive LLC	_	9,644,266	0.50%	NNN California Auto Services	_	9,516,600	0.64%
Total Top Ten	\$	250,174,900	12.88%	Total Top Ten	\$	219,147,788	14.66%
Total Property Taxes	\$1	,942,294,308		Total Property Taxes	\$1	,494,474,452	

Data Source: L.A. County Assessor 2018/19 and 2009/10 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

*Collected within the

Fiscal	Taxes Levied	Fiscal Year		*Collections in_	Total Collect	ions to Date
Year Ended	for the		Percent	Subsequent		Percent
June 30	Fiscal Year	Amount	of Levy	Years	Amount	of Levy
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%
2019	6,232,013	6,785,560	108.88%	(5,328)	6,780,232	108.80%

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.

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

^{*}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.

City of San Fernando Top 25 Sales Tax Producers

For Fiscal Year 2018-19

Business Name Business Category Acey Decy Lighting Repair Shop/Equip. Rentals Ally Financial Auto Lease Service Stations Arco Arroyo Building Materials **Building Materials** Casco Contractors **CCAP** Auto Lease Auto Lease El Pollo Loco **Quick Service Restaurants** El Super **Grocery Stores** Ferguson Enterprises Plumbing/Electrical Supplies Goodman Distribution Contractors **Building Materials** Home Depot **IHOP** Casual Dining Malbros Ready Mix Concrete Contractors McDonald's **Quick Service Restaurants** Nachos Ornamental Supply Contractors One Step GPS **Business Services** Pool & Electrical Products Plumbing/Electrical Supplies Rydell Chrysler Dodge Jeep Ram New Motor Vehicle Dealers Smart & Final **Grocery Stores** T Mobile Electronics/Appliance Stores TMB Production Supplies & Servs. Electrical Equipment Truman 76 Service Stations Vallarta Supermarket **Grocery Stores** Walgreens **Drug Stores** WSS **Shoe Stores**

Percent of Fiscal Year Total Paid By Top 25 Accounts = 64.42%

* Firms Listed Alphabetically

Period: July 2018 Thru March 2019

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 2009-10

Business Category Business Name Arco Service Stations Arco Budget Mini Market Service Stations Arroyo Building Materials **Building Materials** Casco Contractors Cornerstone Display Group Light Industrial/Printers 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 **IHOP Casual Dining** JC Penney Department Stores **Quick Service Restaurants** McDonald's Payless Foods **Grocery Stores** Pep Boys **Automotive Supply Stores Pharmavite** Food Service Equip./Supplies Plumbing/Electrical Supplies Pool & Electrical Products Service Stations Ps & Company 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 = 66.89%

* Firms Listed Alphabetically

Period: July 2009 Thru March 2010

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>20</u>	009	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Apparel Stores	\$	8,585	\$ 8,691	\$ 9,062	\$ 9,728	\$ 9,452
Food Stores	1	1,720	11,429	11,813	13,558	15,507
Eating and Drinking Places	4	4,128	44,841	45,549	48,841	52,082
Building Materials	7	7,431	69,549	71,116	69,329	86,273
Auto Dealers and Supplies	4	5,702	32,834	24,743	28,700	47,098
Service Stations	1	1,977	14,845	17,810	19,006	17,864
Other Retail Stores	7	1,169	61,896	57,935	56,205	54,673
All Other Outlets	7	4,422	75,380	79,528	81,733	87,574
Total	\$ 34	5,134	\$ 319,465	\$ 317,556	\$ 327,100	\$ 370,523

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.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Apparel Stores	\$ 9,424	\$ 10,410	\$ 12,234	\$ 11,714	\$ 12,226
Food Stores	13,755	14,084	15,033	15,421	16,028
Eating and Drinking Places	54,568	61,432	66,542	71,884	73,118
Building Materials	90,286	96,105	102,767	114,391	121,388
Auto Dealers and Supplies	83,375	89,419	105,825	103,662	110,670
Service Stations	16,736	15,301	13,545	12,927	14,458
Other Retail Stores	57,193	63,783	64,422	66,131	37,956
All Other Outlets	100,652	113,108	125,488	128,101	142,527
Total	\$ 425,989	\$ 463,642	\$ 505,856	\$ 524,231	\$ 528,371

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

	20	19		20	010
	Water	Percent of Total Water		Water	Percent of Total Water
Water Customer	 Charges	Revenues	Water Customer	Charges	Revenues
Pharmavite Corporation	\$ 86,820	2.16%	Pharmavite Corporation	26,902	1.08%
Pharmavite Corporation	26,151	0.65%	Puretek Corp.	21,758	0.87%
Mission Park Apartments	22,736	0.57%	Pharmavite Corporation	16,330	0.65%
LA Board of Education	21,524	0.54%	Puretek Corp	13,063	0.52%
Bitman, Boris Bruce	20,551	0.51%	Martin & Denise Rile	9,400	0.38%
Fresenius Medical CA	16,519	0.41%	Fresenius Medical CA	9,295	0.37%
Martin & Denise Rile	15,328	0.38%	K.V. Mart # 9	9,018	0.36%
LA Board of Education	14,058	0.35%	Majers, Olin	8,908	0.36%
Majers, Olin	13,898	0.35%	Mission Park Apartment	8,711	0.35%
Glenoaks Village H.O	 13,684	0.34%	Home Depot #609	8,105	0.32%
Total Top Ten	\$ 251,269	6.26%	Total Top Ten	\$ 131,489	5.27%
Total Water Revenue	\$ 4,016,093		Total Water Revenue	2,494,507	, =

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

Governmental Activities

Fiscal Year Ended	General Obligation	Tax Allocation		Certificates of	Total Governmental	Pecentage of	Per
June 30	Bonds	Bonds	Loans	Participation		Personal Income	Capita
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
2019	-	-	-	2,669,222	2,669,222	0.58%	109

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/PST045218 visited 11/20/2019.

Date Source: City of San Fernando Finance Department.

City of San Fernando Direct and Overlapping Debt As Of June 30, 2019

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt:		·	
240.01 2016 Installment Sale Agreement	2,555,000	100.000	2,555,000
240.01 Premium	114,222	100.000	114,222
Total Direct Debt			2,669,222
Overlapping Debt:			
* 310.30 Metropolitan Water District	23,317,224	0.105	24,387
805.55 LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.228	4,830
805.56 LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.228	72,060
805.65 LA CCD DS 2008, 2009 Taxable Ser B	75,000,000	0.228	171,273
805.66 LA CCD DS 2008, 2010 Tax Series D	125,000,000	0.228	285,455
805.67 LA CCD DS 2008, 2010 Tax Ser E (BABS)	900,000,000	0.228	2,055,274
805.69 LA CCD DS 2008, 2012 Series F	202,000,000	0.228	461,295
805.70 LA CCD DS 2013 Ref Bonds	38,945,000	0.228	88,936
805.71 LA CCD DS 2008 Series G	212,070,000	0.228	484,291
805.73 LA CCD DS 2015 Ref Series A	1,429,435,000	0.228	3,264,312
805.74 LA CCD DS 2015 Ref Series B	28,830,000	0.228	65,837
805.75 LA CCD DS 2015 Ref Series C	252,150,000	0.228	575,819
805.76 LA CCD DS 2008 Series 1	210,570,000	0.228	480,866
805.77 LA CCD DS 2008 Series J	174,965,000	0.228	399,557
805.78 LA CCD DS 2016 Ref Bonds	247,755,000	0.228	565,783
887.83 Los Angeles Unif DS 2002 Series D	8,155,000	0.280	22,865
887.84 Los Angeles Unif DS 2004 Series I	18,155,000	0.280	50,903
887.85 Los Angeles Unif DS 2005 Series F	4,945,000	0.280	13,865
887.86 Los Angeles Unif DS 2002 Series E	200,000,000	0.280	560,763
887.89 Los Angeles Unif DS 2005 Series H-QSCBS	318,800,000	0.280	893,856
887.91 Los Angeles Unif Measure R Series 2009	5,645,000	0.280	15,828
887.92 Los Angeles Unif Measure R Series KRY BABS	363,005,000	0.280	1,017,799
887.93 Los Angeles Unif Measure Y 2009 Series KRY BABS	806,795,000	0.280	2,262,104
887.94 Los Angeles Unif DS 2009 Refunding Prop BB Bonds	23,635,000	0.280	66,268
887.95 Los Angeles Unif Measure K 2010 Series KRY	145,250,000	0.280	407,254
887.96 Los Angeles Unif Measure R 2010 Series KRY	152,165,000	0.280	426,643
887.97 Los Angeles Unif Measure Y 2010 Series KRY	95,770,000	0.280	268,521
887.98 Los Angeles Unif Measure R 2010 Series RY BABS	477,630,000	0.280	1,339,186
887.99 Los Angeles Unif Measure Y 2010 Series RY BABS	772,955,000	0.280	2,167,223
888.55 Los Angeles Unif DS 2005 2010 Series J-1 QSCBS	172,285,000	0.280	483,055
888.56 Los Angeles Unif DS 2005 2010 Series J-2 QSCBS	90,580,000	0.280	253,970
888.57 Los Angeles Unif DS 2011 Ref Bond Series A 1	104,935,000	0.280	294,218
888.58 Los Angeles Unif DS 2011 Ref Bond Series A 2	142,915,000	0.280	400,707

Data Source: HdL Coren and Cone, L.A. County Assessor and Auditor Combined 2018/19 Lien Date Tax Rolls.

City of San Fernando Direct and Overlapping Debt As Of June 30, 2019

Overlapping Debt (Continued):

888.59 Los Angeles Unif DS 2012 Ref Bond Series A	110,985,000	0.280	311,181
888.60 Los Angeles Unif DS 2014 Ref Bond Series A	76,285,000	0.280	213,889
888.61 Los Angeles Unif DS 2014 Ref Bond Series B	174,540,000	0.280	489,378
888.62 Los Angeles Unif DS 2014 Ref Bond Series C	875,070,000	0.280	2,453,535
888.63 Los Angeles Unif DS 2014 Ref Bond Series D	143,555,000	0.280	402,502
888.66 Los Angeles Unif DS 2005 Series K	3,725,000	0.280	10,444
888.68 Los Angeles Unif DS 2015 Ref Bonds Series A	318,085,000	0.280	891,852
888.69 Los Angeles Unif DS 2008 Series A 2016	617,295,000	0.280	1,730,781
888.70 Los Angeles Unif DS 2016 Ref Bonds Series A	504,630,000	0.280	1,414,889
888.71 Los Angeles Unif DS 2016 Ref Bonds Series B	498,240,000	0.280	1,396,973
888.72 Los Angeles Unif DS 2017 Ref Bonds Ser A Prop BB	134,800,000	0.280	377,954
888.73 Los Angeles Unif DS 2017 Ref Bonds Ser A Meas K	921,240,000	0.280	2,582,987
888.74 Los Angeles Unif DS 2005 Series M 1 2018	1,202,445,000	0.280	3,371,434
888.76 Los Angeles Unif DS 2008 Series B 1 2018	594,605,000	0.280	1,667,163
Total Overlapping Debt:		_	37,259,965

Total Direct and Overlapping Debt

39,929,187

2018/2019 Assessed Valuation: \$1,272,985,546 After Deducting \$669,308,762 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.21%
	Overlapping Debt	2.93%
	Total Debt	3.14%

Notes:

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 2018/19 Lien Date Tax Rolls.

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

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

Fiscal Year	2010	2011	2012	2013	2014
Assessed Valuation	1,494,474,452	1,453,887,926	1,470,643,956	1,522,426,847	1,559,841,135
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	373,618,613	363,471,982	367,660,989	380,606,712	389,960,284
Debt Limit Percentage	<u>15</u> %				
Debt Limit	56,042,792	54,520,797	55,149,148	57,091,007	58,494,043
Total Net Debt Applicable To Limit: General obligation bonds					
Legal debt margin	56,042,792	54,520,797	55,149,148	57,091,007	58,494,043
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

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.

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

Fiscal Year	2015	2016	2017	2018	2019
Assessed Valuation	1,632,412,360	1,685,676,080	1,791,249,290	1,854,633,401	1,942,294,308
Conversion Percentage	<u>25</u> %				
Adjusted Assessed Valuation	408,103,090	421,419,020	447,812,323	463,658,350	485,573,577
Debt Limit Percentage	<u>15</u> %				
Debt Limit	61,215,464	63,212,853	67,171,848	69,548,753	72,836,037
Total Net Debt Applicable To Limit:					
General obligation bonds					
Legal debt margin	61,215,464	63,212,853	67,171,848	69,548,753	72,836,037
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 2018/19 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

Calendar Year	Population ¹	Calif. Metropolitan Personal Income (in thousands) ²	Calif. Metropolitan Per Capita Personal Income ²	Unemployment Rate ³
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%
2019	24,510	463,705,000	18,919	4.2%

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 Commercial Industrial Public/Institutional Open space/Recreational Highway and streets, rights-of-way Undeveloped land	43.2% 10.2% 9.7% 7.4% 1.7% 26.3% 1.6%

Building Permits	Calendar Year	# Permits	Valuation
	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
	2019	1,065	12,722,000

Date Source: City of San Fernando Community Development Department

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

	201	18-19		200	09-10
Business Name	Number of Employees	Percent of Total Employment	Business Name	Number of Employees	Percent of Total Employment
Los Angeles Unified School District	1984	16.96%	Los Angeles Unified School District	580	5.49%
Pharmavite LLC	357	3.05%	JT Contractors	400	3.79%
Los Angeles County Superior Court*	282	2.41%	Puretek Corp	400	3.79%
Pepsi Bottling	274	2.34%	Pepsi Bottling Co.	300	2.84%
Home Depot	258	2.21%	Los Angeles County	265	2.51%
Production Resource Group LLC					
(PRG)**	200	1.71%	Home Depot	250	2.37%
Puretek Corp***	172	1.47%	Linzer Products	250	2.37%
BrightView Landscape (formerly					
Valley Crest Landscape Co.)****	140	1.20%	Samco Scientific	250	2.37%
Ricon Corp	132	1.13%	Future Graphics	220	2.08%
Vallarta Supermarkets	131	1.12%	Bernard Brothers	200	1.89%
Total Top Ten Employers	3,930	33.59%	Total Top Ten Employers	3,115	29.50%
Total City Labor Force (1)	11,700		Total City Labor Force	10,560	

Notes:

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

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.

^{*} Includes all employees at courthouse, including state and county

^{**} No employer response rec'd, previous number applied

^{***} Includes 2 locations

^{****} Includes maintenance only, no development side

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



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

	Fiscal Year				
<u>Function</u>	2010	2011	2012	2013	2014
General government	17	17	15	14	14
Community Development	10	7	5	9	8
Public Safety	62	62	57	50	48
Public Works	43	41	39	36	35
Recreation and Community Services	27	22	31	24	30
Total	159	149	147	133	135

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

<u>Function</u>	2015	2016	2017	<u>2018</u>	<u>2019</u>
General government	14	15	15	15	15
Community Development	8	8	8	8	8
Public Safety	48	47	48	48	49
Public Works	34	34	34	34	34
Recreation and Community Services	32	24	24	24	24
	136	128	129	129	130

City of San Fernando Operating Indicators by Function Last Ten Years

Calendar Year

Function	2010	2011	2012	2013	2014
Police:					
Arrests	1,933	1,424	887	683	581
Parking Citations Issued	16,583	14,799	13,407	10,699	8,654

City of San Fernando Operating Indicators by Function Last Ten Years

Calendar Year

Function	2015	2016	2017	2018	2019
Police:					
Arrests	612	1007	965	881	833
Parking Citations Issued	10,730	9,745	8,691	9,602	12,471

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

		Fiscal Year				
	Function	2010	2011	2012	2013	2014
Police:						
	Stations	1	1	1	1	1
Fire:						
	Fire Stations	0	0	0	0	0
Public W	orks:					
	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	6	6	6	6	8
	Recreation Centers	2	2	2	2	2
Water:						
	Water mains (miles)	66.50	66.50	66.88	66.88	66.88
	Maximum Daily Pumping Capacity	600	600	600	600	600
Wastewat	ter:					
	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

Data Source: City of San Fernando Public Works Department

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

		Fiscal Year				
	Function	2015	2016	2017	2018	2019
Police:						
	Stations	1	1	1	1	1
Fire:						
	Fire Stations	0	0	0	0	0
Public W	orks:					
	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	d 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	3,600	3,600	3,600	3,600
Wastewa	ter:					
	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

Data Source: City of San Fernando Public Works Department