

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE  
FISCAL YEAR ENDED  
JUNE 30, 2021

SAN FERNANDO,  
CALIFORNIA





**CITY OF SAN FERNANDO, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**WITH REPORT ON AUDIT**  
**BY INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Prepared By:**  
**Finance Department**



**City of San Fernando**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2021

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## **INTRODUCTORY SECTION**

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December 30, 2021

Honorable Mayor and City Council Members  
Residents of San Fernando

The Annual Comprehensive Financial Report (ACFR) of the City of San Fernando, California for the fiscal year ended June 30, 2021, 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, 2021, 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, 2021, 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

## Honorable Mayor and City Council Members

Residents of San Fernando

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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 ACFR.

### **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

## **Honorable Mayor and City Council Members**

Residents of San Fernando

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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 each to \$150 apiece.

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.

It is important to understand the projected direction of the economy to develop an accurate budget. Prior to the onset of the COVID-19 pandemic in March 2020, the national and state economies were in the midst of the longest recorded economic

expansion. The economy had been on a long, slow recovery since the end of the Great Recession in 2009 with strong fundamentals, such as low unemployment, increasing household income and personal consumption, and most stock market indices were at record levels.

Then the unexpected shock of the global COVID-19 pandemic rapidly reversed the financial strength of the last decade and dramatically altered lives across the United States. As a result of the rising COVID-19 infection rate and the ensuing business restrictions, the beginning of 2020 brought dramatic spikes in job losses, “non-essential” business closures, fractured supply chains (remember the toilet paper shortage) and widespread uncertainty hampered the flow of goods, services, and cash. The following analysis of the federal, state and local economic outlooks provide context for the City’s revenue projections.

#### Federal Economy

According to the Bureau of Economic Analysis, Gross Domestic Product, which is a measure of output for the US economy, fell by 4.1% in 2020 and marks the largest GDP contraction in recent economic history. GDP is expected to grow by approximately 3.0% in 2021 and 3.3% in 2022.<sup>1</sup> Although GDP is projected to increase, real GDP is expected to take a few years before it returns to pre-COVID-19 levels. Additionally, continued uncertainty of the virus poses a threat to the future GDP growth.

The national job market took a significant hit in 2020 with unemployment hitting a record high of 14.7% in April 2020 before declining to 6.7% in December. The leisure and hospitality industry experienced an unemployment rate of 39.3% in April, before declining to 16.7% in December. Workers without a college degree experienced worse unemployment rates in April (e.g., 21.2% for workers with no high school degree) than workers with a Bachelor’s degree or higher (8.4%). Racial and ethnic minorities had relatively high unemployment rates in April (16.7% for Black workers compared to 14.2% for White workers, and 18.9% for Hispanic workers compared to 13.6% for non-Hispanic workers), and these gaps persisted in December<sup>2</sup>. Through April 2021, the national unemployment rate is 6.0% and continues to improve due to resumption in economic activity that had been curtailed due to the pandemic.<sup>3</sup>

The federal government passed large spending bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan, to provide financial assistance to American businesses and workers. One of the common

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<sup>1</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf)

<sup>2</sup> Congressional Research Service, *Unemployment Rates During the COVID-19 Pandemic: In Brief*; Prepared January 12, 2021; <https://fas.org/sgp/crs/misc/R46554.pdf> visited 5/2/2021

<sup>3</sup> Bureau of Labor Statistics, *Employment Situation Summary*; Released 4/2/2021 <https://www.bls.gov/news.release/empsit.nr0.htm> visited 5/2/2021

threats associated with large government spending is devaluation of the dollar, which may lead to inflation. The Consumer Price Index (CPI) is a measure of price inflation and is closely monitored by the Federal Reserve Bank (Fed), who is charged with monitoring monetary policy and controlling inflation. According to the Bureau of Labor Statistics, the federal agency responsible for measuring CPI, the CPI for All Urban Consumers rose 2.6% for the 12 months ending March 2021, which is the largest year-over-year increase since August 2018. High inflation can put downward pressure on the economy and make the goods and services consumers buy more expensive. The direction of this indicator will be watched closely in the coming months.

In contrast to GDP, employment, and CPI, economic indicators such as the Dow Jones Industrial Average (DJIA) and the S&P 500 have performed well throughout the pandemic, both reaching record highs. The exceptional performance of stock market indicators relative to other key metrics like employment could represent a few different key economic inferences. The stock market is inherently forward looking, and this trend might indicate strong investor confidence in an expedited recovery (at a minimum for large corporations) or the position of large, publicly traded businesses relative to their smaller, private, counterparts.

In summary, the short-term economic indicators point to a steady economy over the upcoming fiscal year. The lasting impact of the pandemic, particularly on smaller businesses, prices, and low-wage earners, still remains to be seen and may eventually put downward pressure on the national economy.

#### State Economy

Like the rest of the United States, California has been severely impacted by the COVID-19 pandemic. By the end of January 2021, California had more COVID-19 cases than any other state in the nation. The pandemic and subsequent crisis initiated immense shifts in the economic performance of California in 2020. The first half of 2020 brought a sharp spike in unemployment due to a rapid decline in consumer spending and mandated business closures. Non-farm employment in California fell substantially, especially in industries that are considered non-essential or provide services that require a high degree of personal interaction. The loss of income stemming from unemployment further complicated an ongoing housing crisis. California remains significantly more expensive than much of the United States, with nearly double the median home price and a larger share of rent-burdened households. The state legislature provided protections for renters and homeowners who could not make housing payments, but these protections will soon expire barring renewal.<sup>4</sup>

California's unemployment rose sharply from 3.9% in February to a peak of 16.4% in April and May 2020. Revenue losses stemming from COVID-19 were felt almost

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<sup>4</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf) visited 5/2/2021

immediately as consumer spending in California between January and mid-April 2020 declined by 36%. Job losses were immediate too, distinguishing the current COVID-19 recession from the 2001 dotcom recession and the Great Recession, where unemployment rose gradually over time. As daily case rates fell, businesses were able to open with restrictions and the unemployment rate declined from 16.4% in April to 8.2% in November 2020 before a second wave of cases and the resultant reinstated restrictions pushed the state's unemployment back up to 9.0% in December.<sup>5</sup>

California's median home listing price was \$727,050 in December 2020, more than double the national median home price of \$340,050. In 2019, about 51% of California's population experienced rent burden, when a household spends a third or more of their income on housing, which was 6% higher than the nation as a whole. Just over 25% were severely rent burdened; having spent more than half of their income on housing. Issues with housing affordability and availability combined with the negative financial and social effects of COVID-19 may prove challenging, as residents look for alternative, more affordable places to reside. While COVID-19 poses the largest economic threat, the building of housing remains on the state's radar of pertinent economic legislation.<sup>6</sup>

California has faced a number of challenges over the past year, including unprecedented employment declines related to the current health crisis, a declining population, and falling homeownership. Achieving herd immunity through vaccination would likely ameliorate the employment contraction, but population growth and housing accessibility troubled California long before COVID-19. Resources and time have been used to manage the pandemic, which may result in further delay in addressing long-standing challenges in California.

Similar to the federal outlook, the California economy is expected to remain steady through 2021. Beyond that, federal economic policies and housing affordability may begin to have a significant impact on the state economy.

#### Local Economy

The resiliency of San Fernando's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service business such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp, and Vallarta. The City does not have a significant leisure and tourism industry, which was hardest hit by pandemic related economic restrictions. However, the City does have a number of businesses that support the Entertainment Industry, which was hit hard by the pandemic.

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<sup>5</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf) visited 5/2/2021

<sup>6</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf) visited 5/2/2021

## Honorable Mayor and City Council Members

Residents of San Fernando

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Small businesses, which are the lifeblood of the City's unique character and charm, were hit hardest by the economic restrictions imposed by COVID-19. These small businesses provide in-person services, including restaurants, bars, hair salons, nail salons, laundry services, niche retail, etc., that rely on personal interaction and are often incompatible with remote operations. COVID-19 prevented such services due to the risk of transmission associated with unnecessary person-to-person contact.

Many of the City's small businesses have had to rely on Paycheck Protection Program (PPP) Loans and rent deferral to remain afloat throughout the pandemic, while others have had to close their doors for good. San Fernando has approved a number of COVID-19 Relief Programs for businesses and should have the opportunity to provide additional relief when the expected American Rescue Plan funds are received.

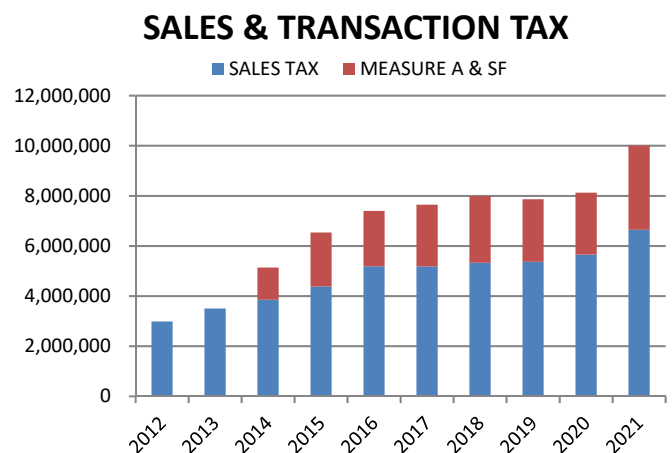
The true extent of the long-term local impact of high unemployment, economic displacement, mounting debt, and business failures will not be known for many months after the declared COVID-19 emergency is finally lifted. What is known is that the ramifications of the economic and social shock caused by COVID-19 will last well into the future. Once public gatherings and full economic activity is safe again, San Fernando will hopefully see an abundance of activity as households who have not been negatively impacted during the pandemic will likely have increased savings (reduced consumption) and pent-up demand for entertainment after more than a year of quarantines and social distancing. Once herd immunity is reached at the national, state, and local level, I expected San Fernando to bounce back and recover stronger than ever.

### Major General Fund Revenue

The City's major sources of General Fund revenue include Sales, Use & Transaction Tax, Property Tax, Property Tax In-Lieu of Motor Vehicle License Fee, Charges for Services, Business License Taxes and Fees, and Admissions Tax.

#### Sales, Use and Transaction Tax

The sale of all tangible personal property 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.



## Honorable Mayor and City Council Members

Residents of San Fernando

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In addition to the state, county, and local sales and use tax, San Fernando voters approved a ½-cent (0.5%) local transaction tax (commonly referred to as “Measure A”) in June 2013. “Measure A” was due to sunset within seven years. In November 2018, voters approved to extend the tax indefinitely. In November 2020, San Fernando voters approved an additional (0.25%) local transaction use tax (Measure SF) to keep sales tax local and avoid other taxing entities from passing a transaction tax that would otherwise be imposed on San Fernando customers, but spent regionally rather than locally. The total local transaction used tax is projected to be \$3.9 million, which is an increase of 76% from the adjusted FY 2020-2021 revenues.

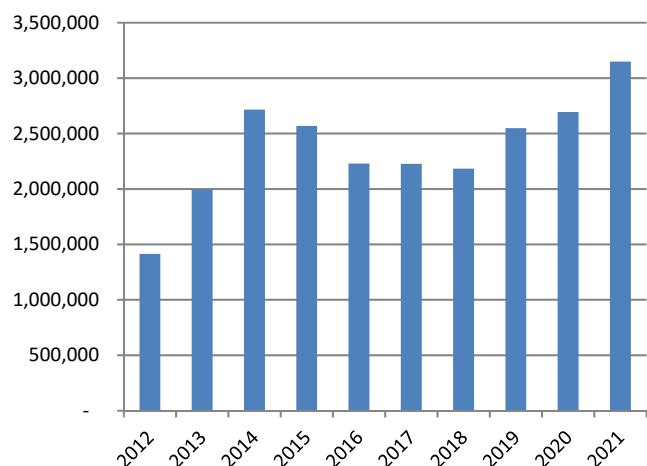
Sales, use and transaction tax (Sales Tax) is the City’s largest revenue, accounting for almost 44% of total General Fund revenues. Since Sales Tax revenue is a function of business and consumer spending on tangible personal property, it is highly sensitive to economic cycles. The resiliency of San Fernando’s local economy was made clear throughout the COVID-19 pandemic. Many of the City’s large employers are essential manufacturing and service business such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp., and Vallarta. The City does not have a significant leisure and tourism industry, which was hit the hardest by the COVID-19 restrictions.

Locally, sales taxes have shown consistent growth over the last ten years. Sales Tax revenues are estimated to increase by 24% in FY 2021-2022, due to State and Federal stimulus payments, continued growth in vehicle and on-line sales and an optimistic outlook toward economic recovery.

### Property Tax

Property tax is an ad valorem tax levied on property owners in the City of San Fernando. The property tax rate is limited by Proposition 13 to 1% of the property’s assessed value, which is typically established as the property’s purchase price. Each year thereafter, the property’s assessed value increases by two percent (2%) or the rate of inflation, whichever is lower, until the property is sold and re-assessed.

### PROPERTY TAXES



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. Property Tax accounts for 12% of General Fund revenue.



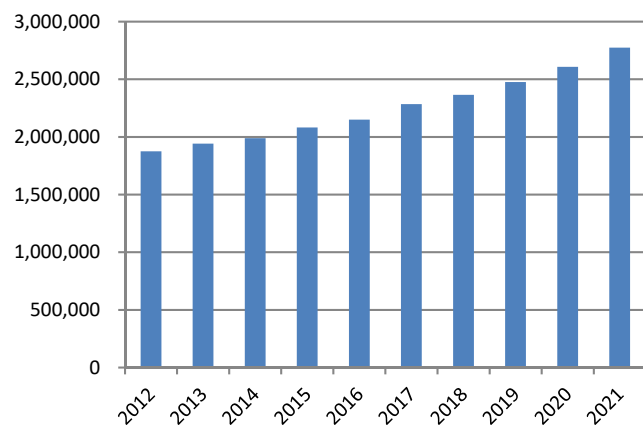
Assessed property values are steadily rebounding since they bottomed out in FY 2010-2011. Consequently, Property Tax revenue has shown steady growth over the last few years, which is expected to continue through 2022 due to strong market conditions and local investment. The median of a Single Family Residential sales price has increased from \$498,750 to \$607,250 over the last two years.

Although Proposition 13 limits the annual increase of Assessed Values to 2%, strong local investment and property turnover are expected to drive an increase in Property tax of almost 12.5% in FY 2021-2022.

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 VLF 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 VLF**



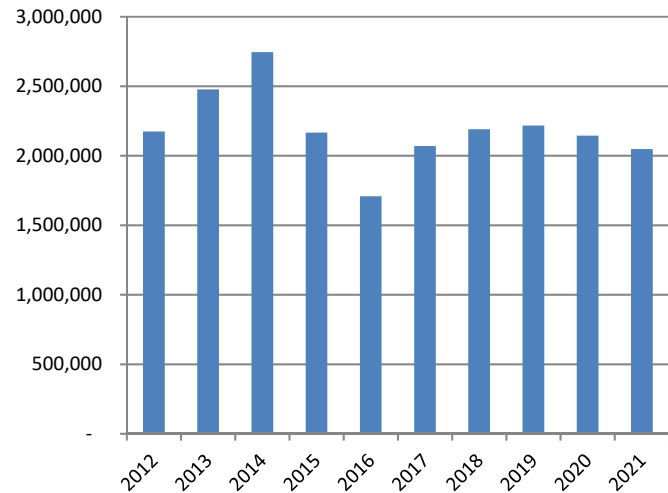
Property Tax In-lieu of Motor Vehicle License Fee accounts for more than 12% of General Fund revenue.

Revenue and Taxation Code Section (c)(1)(B)(i) specifies the VLF Adjustment Amount for each city and county is to grow in proportion to the growth of gross assessed valuation in that jurisdiction from the prior year. Assessed value increases are projected to increase approximately 6.40%. Consequently, Property Tax In-lieu of VLF is projected to increase by 9.24% in FY 2021-2022.

### 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 costs incurred to support non-General Fund operations including, but are not limited to; recruiting and benefit administration services; billing, accounts payable, payroll and accounting services; and information technology services.

### **CHARGES FOR SERVICES**



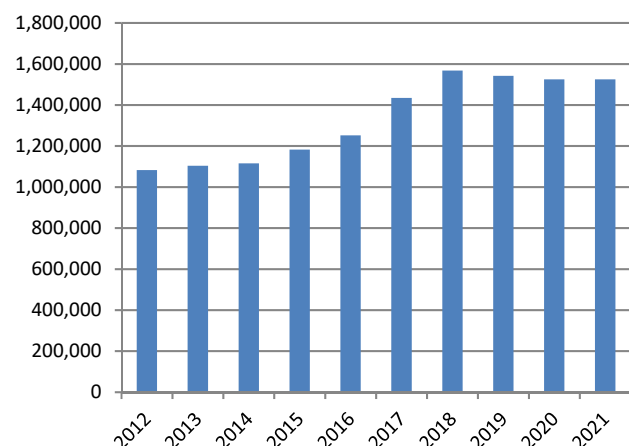
Charges for Services are the City's fourth largest revenues source, accounting for 9.64% of total General Fund revenues.

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 decrease by 5% in FY 2021-2022. The decrease is due to an updated Cost Allocation Plan that reflects reduced staffing levels from the Retirement Incentive Program.

### Business License Taxes and Fees

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

### **BUSINESS LICENSE TAXES & FEES**



Business License is the City's fifth largest revenue source, accounting for almost 5% of General Fund revenue.

Business License revenue is also very sensitive to economic conditions and due to the COVID-19 pandemic and restrictions many businesses suffered especially small businesses that provide in person services, including restaurants, bars, hair salons, laundry services, niche retail, etc. that rely on personal interaction and are often incompatible with remote operations. COVID-19 prevented such services due to the risk of transmission associated with unnecessary person-to-person contact.

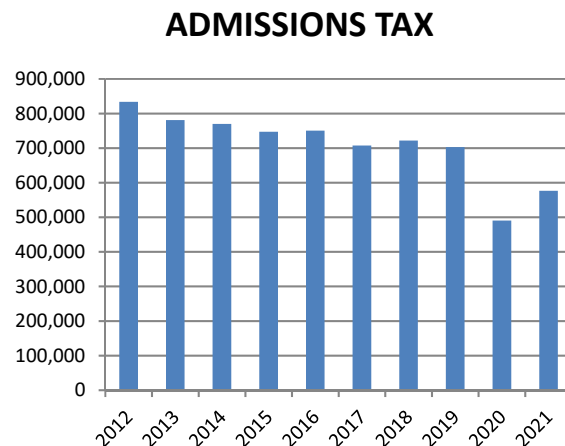
In FY 2020-2021, the City waived the Business License processing fee to assist business owners and relief some of the cost. In FY 2021-2022, the City is projecting a minimal reduction by less than 1% in revenues.

San Fernando has approved a number of COVID-19 Relief Programs for businesses and should have the opportunity to provide additional relief when the American Rescue Plan funds are received.

#### Admissions Tax

San Fernando imposes a tax on each person who pays an admission charge to any place located within the City limits ("Admissions Tax"), which is collected by the operator at the time admission is paid.

Admissions Tax revenue is the City's sixth largest revenue source, accounting for approximately 3.11% of General Fund revenue.



The primary driver for Admissions Tax revenues is the privately owned and operated swap meet in the City. 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. Due to social distancing and attendance restrictions being relaxed, Admission Tax revenues are projected to increase by 7.7% to \$700,000.

## General Fund Expenditures

Since fiscal year 2011-2012, total General Fund expenditures have increased by more than 21%. Fortunately, the City was able to climb out of a significant financial hole due to Measure A revenues. The City is able to align on-going expenses with on-going revenues.

Excluding Capital Outlay, Debt Service and Transfers Out, General Fund departmental expenditures decreased by 2.45% from FY 2019-2020. The decrease is due to the economic uncertainty of the COVID-19 pandemic, each department was asked to reduce their operating cost.

Public Safety (including the Fire Service contract with City of Los Angeles) expenditures accounted for 58% of General Fund expenditures in FY 2020-2021, as expenditures slightly decreased by 3% from FY 2019-2020. The decrease was from vacant Police Officer positions.

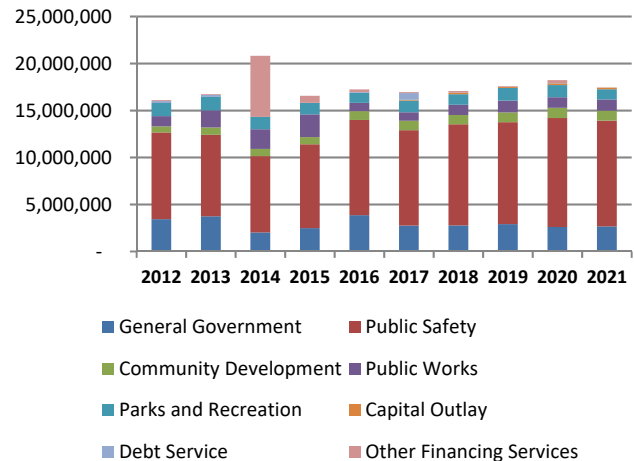
There were no significant changes in expenditures for the General Government and Community Development expenditures from FY 2019-2020 to FY 2020-2021.

Public Works expenditures increased by 4% from FY 2019-2020. The increase is due to engineering services and consistent capital project activity throughout the City.

Parks and Recreation expenditures decreased by 14% due to a number of vacant positions, and a reduction in social activities due to the COVID-19 pandemic.

In FY 2020-2021, the City Council made prudent financial decisions in response to economic restrictions imposed by COVID-19 to maintain core services and contain costs by deferring internal debt payments, reducing Department operating budgets, and offering employee retirement incentive program. Due to these proactive decisions, the City is entering FY 2021-2022 in a strong financial position with resources to begin to implement the Strategic Goals 2022-2027.

**General Fund  
Statement of Expenditures**



## **CITY-WIDE STRATEGIC GOALS**

City-wide Strategic Goals articulate City-wide long-term strategic goals and objectives that the organization strives to achieve over the next three to five years. They provide broad context for budget development to ensure staff is working toward achieving the organization's long-term objectives. The Strategic Goals guiding the development of the Fiscal Year 2021-2022 budget and beyond are:

### **I. FOCUS ON COMMUNITY FIRST**

The City Council's focus is on enhancing the quality of life and community satisfaction in San Fernando. Working to implement the following goals will put the Focus on Community First:

1. Provide a high standard for service and quality of life for San Fernando taxpayers, residents and community members through our top-notch San Fernando Police Department, community-based public safety programming, efficient service delivery, access to local government, and excellent public service.
2. Provide opportunities for community engagement to further develop strategic goals and ensure they are consistent with community needs.
3. Create a public engagement policy and strategy to pro-actively seek community feedback on major City decisions.
4. Increase San Fernando Police Department resources for personnel, equipment, training and community-based policing options.
5. Explore opportunities to expand recreation and sports programs, senior programs, and the *Healthy San Fernando* initiative.
6. Improve the City's use of technology to enhance customer service, work more efficiently, improve transparency for residents, businesses and other stakeholders, and increase community access to broadband.
7. Increase opportunities and support for residents to secure basic needs, and obtain quality education, decent work, and family services.

### **II. SUPPORT ECONOMIC RECOVERY: STRONGER THAN EVER**

The City Council's intent is to facilitate a strong recovery from the long-term financial impacts of the Great Recession and near term impacts of the COVID-19 pandemic by focusing on economic development, championing place-making efforts, and supporting the business community. To achieve this, the City has the following goals to Recover Stronger Than Ever:

## Honorable Mayor and City Council Members

Residents of San Fernando

Page 14 of 19

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1. Pursue economic development opportunities to bolster the City's revenue and promote the City's healthy business climate, top-notch City services, historic neighborhoods and arts and cultural resources.
2. Integrate and highlight San Fernando's history, art and culture into cultural and economic development plans. Support economic development efforts, including music and arts projects/programs, that highlight San Fernando's native American and Latin American roots.
3. Provide technical and financial assistance programs for small business retention, expansion and recruitment. (Business One-Stop Center)
4. Enhance the historic downtown business corridor through the creation of a Downtown Master Plan, architectural design and signage standards, business development support and pedestrian focused improvements.
5. Attract and retain private investment in all of the City's business corridors and support place-making efforts.
6. Attract well-paying jobs to the City's industrial corridors and commercial zones by focusing on growing industries including, but not limited to, climate resiliency research and development, clean energy and other emerging technologies, and arts and entertainment.
7. Beautify the Civic Center through investment in public buildings and infrastructure, including modernizing the City's Police Station, City Hall and Public Works support facilities, and supporting the Los Angeles Unified School District efforts to restore and rehabilitate the historic San Fernando Auditorium and Morningside Auditorium to be used as a public theatre.

### III. PRESERVE BEAUTIFUL HOMES AND NEIGHBORHOODS

The City Council recognizes the beautiful architecture of our homes and desirable characteristics of our neighborhoods. To preserve this, the City will work toward the following goals to Preserve our Beautiful Homes and Neighborhoods:

1. Facilitate common-sense housing policy to preserve the charm of San Fernando.
2. Promote home ownership and first time homeowner programs, particularly programs that provide home ownership opportunities for current San Fernando residents/renters.
3. Explore programs that provide technical assistance, architectural guidance, and financial support for the preservation and restoration of historic residential homes.

4. Explore programs that provide technical assistance, architectural guidance, and financial support for home rehabilitation for low- and moderate-income homeowners.
5. Develop a Homeless Plan and policies to support unsheltered and under housed individuals and families.
  - a) Update accessory dwelling unit and junior accessory dwelling unit ordinance to improve the City's affordable housing supply.
  - b) Develop policies for individuals dwelling in vehicles and other sheltered locations.
6. Develop policies, financial literacy and financial incentives to address displacement pressures for individuals and families that are functionally under-housed.

#### **IV. STRENGTHEN CLIMATE RESILIENCE AND ENVIRONMENTAL JUSTICE**

The City Council understands the City's responsibility to be good stewards of the environment and the positive impact environmental responsibility has on the health and well-being of residents. Working to achieve the following goals will Strengthen Climate Resilience and Environmental Justice:

1. Protect public health and the City's natural resources by promoting energy efficient capital improvements, developing plans to reduce climate-related risks, and supporting federal and state legislative efforts to increase climate resilience and adaptation funding for impacted communities like San Fernando.
2. Invest in tree planting and care efforts and strengthen the City's urban forest to improve air quality, expand native habitat and address extreme heat and heat island impacts.
  - a) Increase tree canopy coverage by 33% by the end of fiscal year 2027 (i.e. add approximately 2,000 trees).
  - b) Seek resources to develop and implement an Urban Forest Management Plan.
3. Safeguard the City's water quality and local water supply through risk, resiliency and redundancy improvements, infiltration projects, treatment and storage improvements, and conservation programs.
  - a) Complete the *San Fernando Park Infiltration Project* by the end of fiscal year 2025. Once completed, this project will infiltrate up to 400-acre feet of water annually (130.3 million gallons) and prevent this captured water from going into the Pacoima Wash, a tributary to the Los Angeles River.

- b) Pursue funding to restore and rehabilitate 8<sup>th</sup> Street Natural Park to achieve maximum water capture and infiltration.
  - c) Move forward with *Green Streets* and other stormwater capture projects, such as the Carlisle Green Street project and stormwater capture improvements at South Maclay and Parking Lot 4 (Truman and Brand Blvd).
  - d) Plan, design and build the Pacoima Wash Greenway to address flooding and stormwater compliance and expand open space.
  - e) Continue to use 100% local ground water supply to meet residential and commercial water demand through projects like a Phase 2 of nitrate treatment plant for wells 2A and 3A to provide resiliency for the City's water supply.
4. Reduce the City's carbon footprint through energy efficient facility improvements, aggressive waste and food reduction, recycling and reuse, and alternative energy vehicles and equipment.

## **V. ENHANCE PUBLIC TRANSPORTATION TO MOVE SAN FERNANDO**

The City Council understands the critical role regional and local public transportation networks play in providing a way for our essential workers to get to work, reducing traffic congestion, and reducing our carbon footprint. The following goals provide a framework to Enhance Public Transportation and Move San Fernando:

- 1. Enhance regional and local public transportation options that benefit residents as well as employees, visitors, and customers of San Fernando businesses and cultural institutions.
- 2. Ensure the East Valley Regional Light Rail and Metrolink projects servicing San Fernando are developed responsibly with adequate mitigation for traffic, pedestrian and parking impacts to not create an undue hardship to the City's residents and businesses.
- 3. Pursue funding to construct projects identified in Metro's First/Last Mile Plan, the City's *Safe and Active Streets Plan*, and other planning efforts that support access to public transportation and pedestrian-focused improvements.
- 4. Provide affordable local transportation, including the ability to offer the Mission City Transit service without charging a fare.
- 5. Beautify and update bus stops by making them more user friendly, attractive, clean and architecturally consistent.



6. Support and prioritize deployment of transportation electrification and alternative fuels through the promotion of electric charging and clean natural gas public stations.
7. Improve the City's Trails Network including increased maintenance of the Mission City Bike Trail and completing the Pacoima Wash Greenway.

## **VI. BUILD RESILIENT AND RELIABLE INFRASTRUCTURE**

The City Council recognizes the costly impact of deferred maintenance of the City's aging infrastructure, including streets, sidewalks, water and sewer transmission lines, sports fields and courts, and public buildings. The following goals will help reduce the long-term cost of deferred maintenance and provide direction to Build Resilient and Reliable Infrastructure:

1. Increase capital expenditures to address critical infrastructure needs, including, but not limited to, addressing deferred maintenance of city streets, water and sewer systems, and sidewalks.
2. Leverage federal, state and county transportation funding to maximize residential and commercial street paving each year.
  - a) Goal to spend at least \$2,000,000 per year to resurface at least 2 miles of residential streets per year.
  - b) After resurfacing, slurry seal residential streets every 5 years.
3. Develop a sidewalk replacement program to increase safety and walkability throughout the City.

## **VII. FORGE FINANCIAL STRENGTH AND STABILITY**

The City Council holds their fiduciary responsibility to San Fernando taxpayers in highest regard and values strong financial management practices. The following goals will ensure the City continues to Forge Financial Strength and Stability:

1. Manage and grow the City's revenues and reserve balances in a number of critical funds, including, but not limited to, the General Fund, Self-Insurance Fund, Equipment Replacement Fund and Enterprise Funds in accordance with the City's Comprehensive Financial Policies.
2. Review and update the City's Comprehensive Financial Policies bi-annually. Policy areas address in the Comprehensive Financial Policies include: 1) Long-term Financial Planning, 2) Auditing, Financial Reporting and Disclosure, 3) Revenue Collection, 4) Investment and Cash Management, 5) Capital Assets and Capital

Improvement Projects, 6) Financial Reserves and Fund Balances, 7) Post-employment Benefit Funding, 8) Grant Administration, 9) User Fees and Service Charges, 10) Cost Allocation, and 11) Debt Management.

3. Review and update the City's Investment Policy annually.
4. Implement strategies to reduce long-term pension and other post-employment benefits (i.e. retiree health) liabilities.
5. Invest in a Grant Manager, or Grant Management Services, to secure funds to implement strategic goals and priority projects.
6. Continue to submit and receive the Government Financial Officers Association (GFOA) Awards for Excellence in Financial Reporting and Budget Preparation.

### **VIII. COVID-19: RESPONDING TO A PANDEMIC**

The City Council has made response to the COVID-19 pandemic the highest priority since it first declared a local state of emergency on Monday, March 16, 2020. The City's COVID-19 response effort now shifts away from the outreach, education and enforcement phase to the vaccination and recovery phase, which are reflected in the goals below. The following short-term goals are expected to be completed in the first year of this Strategic Goals cycle and may be removed from future updates of this document:

1. Work with elected officials, state and county agencies, and community partners to vaccinate 75% of the 65+ senior population and eligible general population by December 31, 2021, while continuing the free COVID-19 testing program.
2. Increase capability to disseminate timely and relevant information to the community through effective communication channels and community partners.
  - a) Leverage community partnerships to maximize outreach for vaccine distribution, updated health order information, financial programs available to residents and businesses, and available technical/financial assistance programs.
  - b) Utilize emergency communication capability (ALERT San Fernando) appropriately to ensure important information is actively pushed out to the community.
3. Support federal, state and local funding for COVID-19 relief programs, especially for most impacted communities.

### **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.

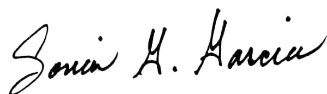
### **Awards and Acknowledgments**

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, 2020. This was the 37th 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 2021 certification.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the Finance Department staff. 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,



Sonia Gomez-Garcia  
Interim Director of Finance/City Treasurer

## DIRECTORY OF OFFICIALS

FISCAL YEAR 2020-2021

### ELECTED OFFICIALS

#### CITY COUNCIL

MAYOR

SYLVIA BALLIN

VICE MAYOR

MARY MENDOZA

COUNCILMEMBERS

CINDY MONTAÑEZ

HECTOR A. PACHECO

CELESTE RODRIGUEZ

### EXECUTIVE MANAGEMENT

CITY MANAGER

NICK KIMBALL

DEPUTY CITY MANAGER/

DIRECTOR OF COMMUNITY DEVELOPMENT

TIMOTHY HOU

CHIEF OF POLICE

ANTHONY VAIRO

CITY CLERK

JULIA FRITZ

DIRECTOR OF FINANCE

J. DIEGO IBAÑEZ

DIRECTOR OF PUBLIC WORKS

MATT BAUMGARDNER

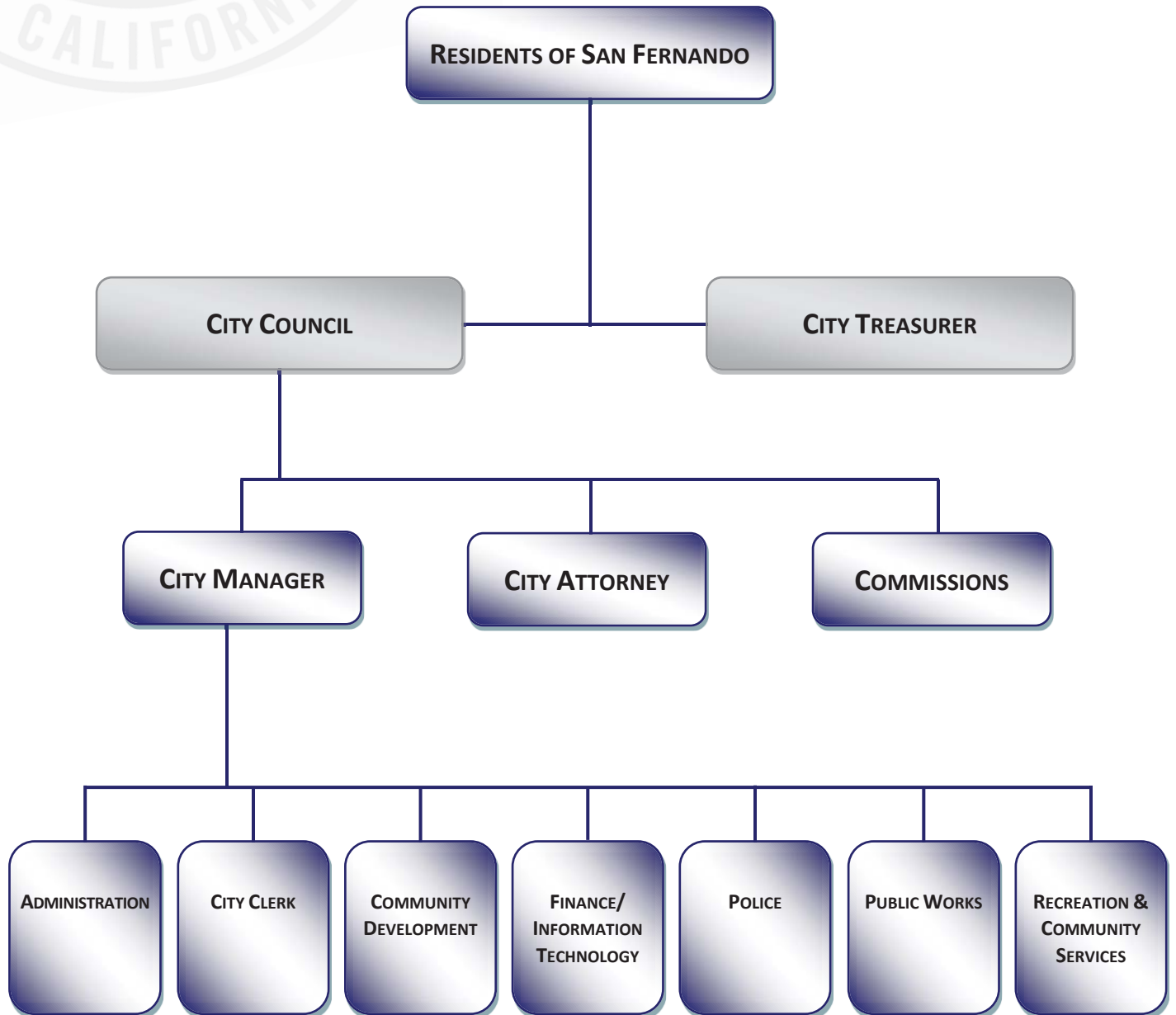
DIRECTOR OF RECREATION AND  
COMMUNITY SERVICES

JULIAN J. VENEGAS

# THE CITY OF SAN FERNANDO

## ORGANIZATIONAL CHART

FISCAL YEAR 2020-2021



ELECTED  
OFFICIAL



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of San Fernando  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## **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, 2021, 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, 2021, 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 30, 2021, 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.

*Van Lant & Fankhaenel, LLP*

December 30, 2021

**CITY OF SAN FERNANDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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This section of the Annual Comprehensive 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, 2021. As management of the City, we encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found beginning on pages i - xii, and the City's financial statements beginning on page 21.

**FINANCIAL HIGHLIGHTS**

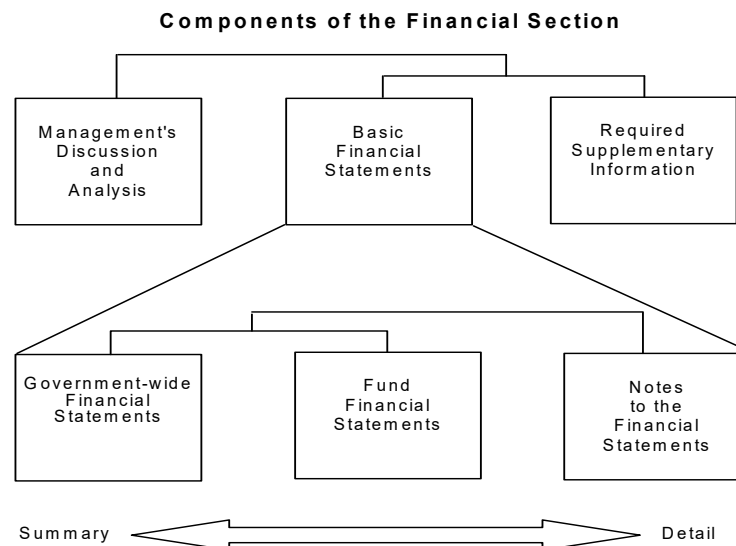
The following are some key financial highlights for the fiscal year ending June 30, 2021:

- ↑ The City's total net position increased from \$5,108,636 as of June 30, 2020 to \$11,778,827 as of June 30, 2021 for a total increase of \$6,670,191, or 130.57%. Additional information on the increase 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 increased from (\$71,710,518) at June 30, 2020 to (\$68,843,605) at June 30, 2021 for a total deficit reduction of \$2,866,913, or 4%.
- ↑ The City's total fund balances for governmental funds increased from \$24,261,074 as of June 30, 2020 to \$31,908,532 as of June 30, 2021 for a total increase of \$7,647,458, or 31.52%.
- ↑ The total fund balance for the General Fund increased from \$3,626,544 as of June 30, 2020 to \$7,759,469 as of June 30, 2021 for a total increase of \$4,132,925 or 113.96%. Fund balance is classified per GASB Statement No. 54 as Nonspendable: \$234,225 and Unassigned: \$7,525,244. 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 \$20,274,530 as of June 30, 2020 to \$24,149,063 as of June 30, 2021 for a total increase of \$3,874,533, or 19.11%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

The City's basic financial statements are comprised of three components: 1) Government-wide Financial Statements 2) Fund Financial Statements and 3) Notes to the Financial Statements.



## Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the City's assets, including capital assets, and all related current liabilities and long-term obligations. The difference between total assets and total liabilities is presented as net position, which serves as a measure of the financial health of the City. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Decreases in net position are presented as "Expenses;" increases in net position are presented as "Revenues." Revenues directly attributable to a particular function within the City are presented as "Program Revenues." Tax revenues, including those restricted to a particular program function, are reported as "General Revenues" unless specifically required to be reported as program revenues.

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

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

The government-wide financial statements can be found beginning on page 21 of this report.

## Fund Financial Statements

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

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

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

### Fund Financial Statements (cont.)

Funds.” The details of these funds are included in the Combining and Individual Fund Statements and schedules located in the supplementary information section of this report on pages 70-115.

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 30 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 and Capital Grants. Data from the other 27 governmental funds are combined into a single, aggregated presentation of “Other Governmental Funds.” Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *non-major governmental funds supplementary information* section of this report.

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

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

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

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City currently uses enterprise funds to account for the following activities: 1) water operations, 2) wastewater operations, 3) compressed natural gas (CNG) fueling station operations, and 4) refuse operations (inactive).
- *Internal Service funds* are used by the City to account for its intra-city services. The City currently uses three internal service funds: 1) Equipment Maintenance and Replacement Fund, 2) Facility Maintenance Fund and 3) Self Insurance Fund.

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

The basic proprietary fund financial statements can be found beginning on page 28 of this report.

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

**CITY OF SAN FERNANDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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**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 33 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 60 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 70 of this report.

**Government-wide Financial Analysis**

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In fiscal year 2020-2021, the City's net position increased from \$5,108,636 as of June 30, 2020 to \$11,778,827 as of June 30, 2021 for a total increase of \$6,670,191 or 130.57%).

Total assets increased by \$10,860,545 due primarily to increased Cash and Investments and Taxes in the General Fund. The increase in cash in the General Fund is a result of prudent financial decisions in response to economic restrictions imposed by COVID-19 to maintain core services and contain costs by reducing department-operating budgets, and offering an employee retirement incentive program. In addition, the voters of San Fernando agreed to keep taxes local by approving an increase in local sales tax rate from 0.50% to 0.75%.

The increase in assets was offset by an increase in liabilities of \$10,896,344 due to significant increases in the City's long-term liabilities; refer to Note 6. Additional information related to the City's pension benefits/liability and Other Post-Employment Benefits (OPEB) benefits/liability can be found in Notes 7 and 8, respectively.

The largest portion of the City's net position, \$56,361,501 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, \$24,260,931 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, 2021, 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 (\$68,843,605). This large deficit is the result of long-term liabilities, most notably, pension and OPEB liabilities as detailed in Notes 6, 7 and 8.

**CITY OF SAN FERNANDO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**Government-wide Financial Analysis (cont.)**

The following table summarizes the Statement of Net Position for Governmental and Business-Type Activities for the fiscal year ended June 30, 2021, with comparative totals for the fiscal year ended June 30, 2020.

**Summary of Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 38,083,144	\$ 30,141,391	\$ 12,489,301	\$ 11,392,901	\$ 50,572,445	\$ 41,534,292
Capital assets	45,312,004	43,406,501	16,070,851	16,153,962	61,382,855	59,560,463
Total assets	83,395,148	73,547,892	28,560,152	27,546,863	111,955,300	101,094,755
Deferred Outflows of Resources:	13,451,922	9,882,968	1,743,333	1,440,768	15,195,255	11,323,736
Liabilities:						
Current and other liabilities	4,659,362	3,704,534	1,242,561	1,098,363	5,901,923	4,802,897
Long-term liabilities	89,875,100	80,184,285	14,073,447	13,966,944	103,948,547	94,151,229
Total liabilities	94,534,462	83,888,819	15,316,008	15,065,307	109,850,470	98,954,126
Deferred Inflows of Resources:	4,766,659	7,147,502	754,599	816,461	5,521,258	7,963,963
Net position:						
Net Investment in Capital Assets	41,717,958	40,816,119	14,643,543	14,803,962	56,361,501	55,620,081
Restricted	24,260,931	21,199,073	-	-	24,260,931	21,199,073
Unrestricted	(68,432,940)	(69,620,653)	(410,665)	(2,089,865)	(68,843,605)	(71,710,518)
Total net position	\$ (2,454,051)	\$ (7,605,461)	\$ 14,232,878	\$ 12,714,097	\$ 11,778,827	\$ 5,108,636

**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, 2021, in relation to a year earlier.

The City's total net position increased from \$5,108,636 as of June 30, 2020 to \$11,778,827 as of June 30, 2021 for a total increase of \$6,670,191 or 130.57%. Key elements of this increase are as follows:

- ❖ Net position of governmental activities increased from (\$7,605,461) as of June 30, 2020 to (\$2,454,051) as of June 30, 2021; a total increase of \$5,151,410, or 67.73%. The increase is due to general revenues, specifically in property taxes and sales and use taxes.



**CITY OF SAN FERNANDO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**Government-wide Financial Analysis (cont.)**

- ❖ Net position of business-type activities increased from \$12,714,097 as of June 30, 2020 to \$14,232,878 as of June 30, 2021; a total increase of \$1,518,781 or 11.95%. The increase is due to program revenues, specifically in charges for services.

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2021, with comparative totals for the fiscal year ended June 30, 2020.

City of San Fernando						
Government-wide Financial Statements						
Summary of Activities						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,906,992	\$ 3,399,755	\$ 9,159,410	\$ 8,488,194	\$ 12,066,402	\$ 11,887,949
Operating grants and contributions	3,927,950	2,851,522	-	-	3,927,950	2,851,522
Capital grants and contributions	5,194,218	1,059,134	-	-	5,194,218	1,059,134
General revenues						
Taxes	23,549,856	21,239,540	-	-	23,549,856	21,239,540
Investment earnings and other	247,001	915,709	7,657	350,106	254,658	1,265,815
<b>Total revenue</b>	<b>35,826,017</b>	<b>29,465,660</b>	<b>9,167,067</b>	<b>8,838,300</b>	<b>44,993,084</b>	<b>38,303,960</b>
<b>Expenses</b>						
General government	8,331,758	6,695,845	-	-	8,331,758	6,695,845
Public safety	12,449,356	15,706,963	-	-	12,449,356	15,706,963
Community development	1,791,458	1,448,244	-	-	1,791,458	1,448,244
Public works	5,856,079	4,587,387	-	-	5,856,079	4,587,387
Parks and recreation	1,965,303	1,912,396	-	-	1,965,303	1,912,396
Capital Outlay	-	-	-	-	-	-
Interest and fiscal charges	100,653	86,044	-	-	100,653	86,044
Water operations	-	-	4,354,894	4,151,358	4,354,894	4,151,358
Sewer operations	-	-	3,011,816	2,860,657	3,011,816	2,860,657
CNG operations	-	-	95,615	136,837	95,615	136,837
Refuse operations	-	-	5,961	3,284	5,961	3,284
<b>Total expenses</b>	<b>30,494,607</b>	<b>30,436,879</b>	<b>7,468,286</b>	<b>7,152,136</b>	<b>37,962,893</b>	<b>37,589,015</b>
Excess or (Deficiency) before transfers	5,331,410	(971,219)	1,698,781	1,686,164	7,030,191	714,945
Transfers In (Out)	180,000	180,000	(180,000)	(180,000)	-	-
Change in Net Position	5,511,410	(791,219)	1,518,781	1,506,164	7,030,191	714,945
Net position – beginning	(7,605,461)	(7,118,137)	12,714,097	11,207,933	5,108,636	4,089,796
Prior Period Adjustment	(360,000)	303,895	-	-	(360,000)	303,895
Net position – ending	\$ (2,454,051)	\$ (7,605,461)	\$ 14,232,878	\$ 12,714,097	\$ 11,778,827	\$ 5,108,636

## **Government-wide Financial Analysis (cont.)**

### **Governmental Activities**

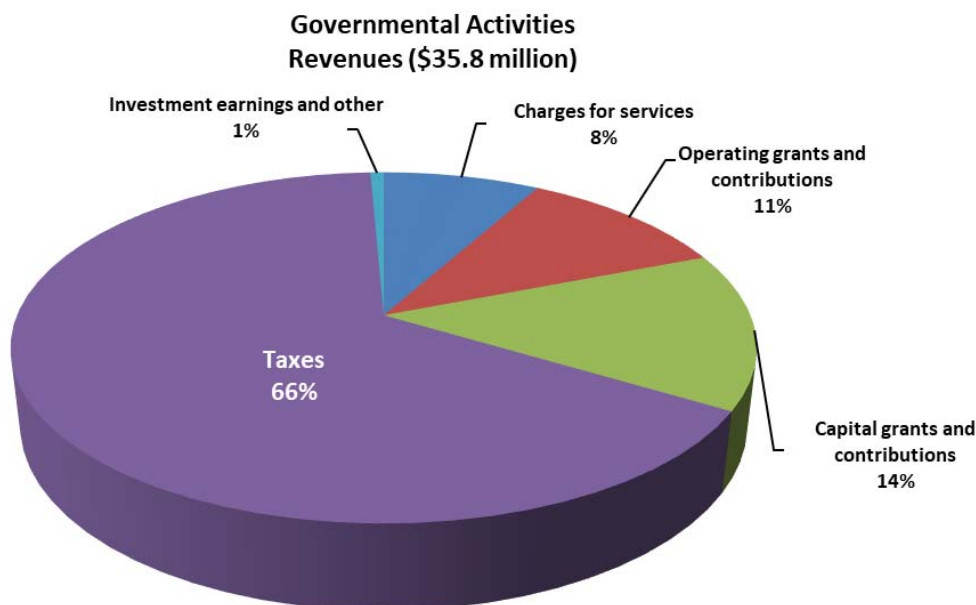
- ❖ The City's net position from governmental activities increased from (\$7,605,461) as of June 30, 2020 to (\$2,454,051) as of June 30, 2021; a total increase of 5,151,410, or 67.73%. The increase is due to general revenues, specifically in property taxes and sales and use taxes.

### *Revenue Highlights*

Total governmental activities revenues were \$35,826,017; an increase of \$6,360,357 or 21.59%, from 2020. The largest component of governmental activities' revenue are taxes, which generate \$23,549,856 making up 66% 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 (\$10.7 million), Sales and Use Tax (\$10.1 million), and Business License Tax (\$1.5 million). Some key changes in revenues include:

- Property tax revenue increased by \$995,646 or 10.23% compared to the prior year. Property tax revenue has shown a steady growth over the last few years, which is expected to continue through 2022 due to strong market conditions and local investments.
- Sales and Use tax revenue increased by \$1,413,533 or 16.11% compared to the prior year. Sales taxes have shown consistent growth over the last few years. In addition, the voters of San Fernando agreed to keep taxes local by approving an increase in local sales tax rate from 0.50% to 0.75%. However, Sales tax revenue is a function of business and consumer spending on tangible personal property and it is highly sensitive to economic cycles.
- Business licenses tax revenues decreased by \$104,199 or (6.28%) compared to the prior year. Business license revenue is also very sensitive to economic conditions and due to the COVID-19 pandemic and restrictions many businesses suffered. In FY 2020-2021, the City waived the business license processing fee to assist business owners and relief some of the cost.

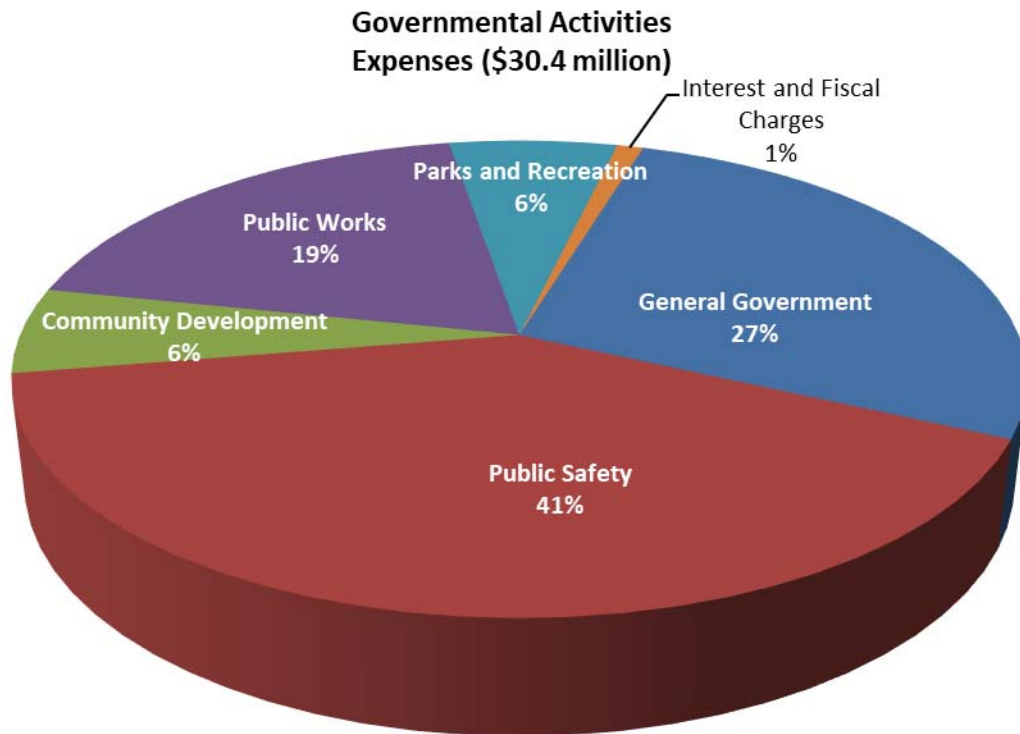
The governmental activities pie chart below illustrates operating revenues by source (excluding transfers). Taxes, which include sales and use, property, motor vehicle license, business and other taxes are general revenues used to support overall government functions. These sources account for approximately 66% of total governmental revenue. Charges for services make up 8% of revenues while operating and capital grants and contributions amount to 25% of total governmental revenues.



**Governmental Activities (cont.)**

*Expense Highlights*

Functional expenses for fiscal year 2020-2021 governmental activities totaled \$30,494,607 an increase of \$57,728 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 \$12.4 million (41%) and Public Works activities accounted for approximately \$5.8 million (19%) of the total expenses in the governmental funds. General Government expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources, and City Attorney contract) also accounted for approximately \$8.3 million (27%) of total expenses. Community Development (\$1.8 million), and Recreation and Community Services (\$1.9 million) account for the remaining 12% of expenses.



**Business-Type Activities**

The net position of business-type activities increased from \$12,714,097 as of June 30, 2020 to \$14,232,878 as of June 30, 2021; a total increase of \$1,518,781, or 11.95%. A water and sewer rate study was completed in 2019 and new rates were effective on January 1, 2020. The increase is due to an updated rate schedule that ensures that fees charged to customers are sufficient to meet the cost of operating the water and sewer system and replace aging water and sewer main lines.

The City's Water Utility and Sewer/Wastewater operations are the two largest business-type operations, with charges for service being the primary funding source. The Summary of Activities chart presented on page 12 shows a comparison of program revenues to expenses to prior year for each of the City's business-type activities.

**CITY OF SAN FERNANDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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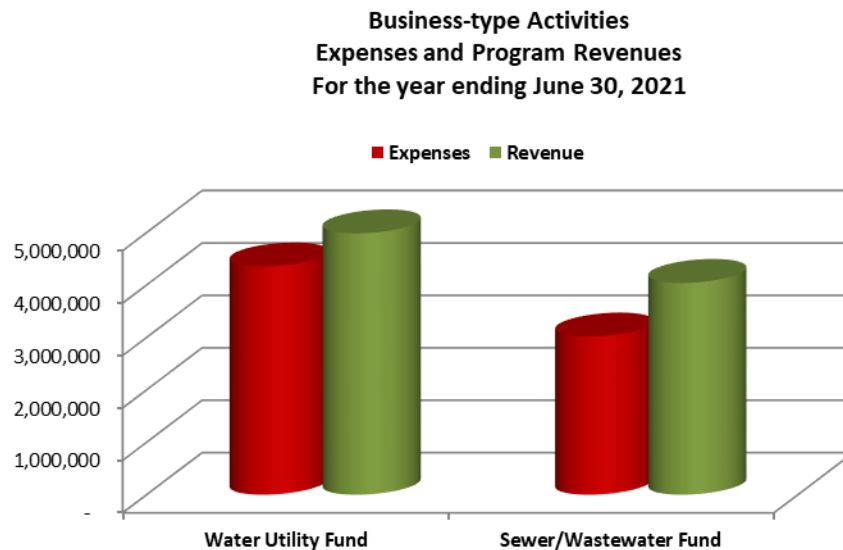
**Business-Type Activities (cont.)**

*Revenue Highlights*

Total program revenues for the fiscal year ended June 30, 2021 were approximately \$9.1 million; an increase of \$671,216 or 7.91%, from 2020.

*Expense Highlights*

Total expenses for the fiscal year ended June 30, 2021 were approximately \$7.4 million, an increase of \$316,150 or 4.42%, from 2020. 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 water and 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 \$24,261,074 as of June 30, 2020 to \$31,908,532 as of June 30, 2021; a total increase of \$7,647,458 or 31.52%. The City's governmental funds report an *unassigned* fund balance of \$7,424,659, which is a \$4,364,258 increase from June 30, 2020.

**CITY OF SAN FERNANDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**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) \$234,225 for prepaid items;
- 2) \$24,249,648 restricted for transportation, housing, air pollution, parks and recreation, public safety and retirement.

**Summary of Governmental Funds  
Balance Sheet**

	2021	2020
Assets:		
Cash and Investments	\$ 28,388,581	\$ 19,193,348
Other assets	10,507,887	12,105,704
Total assets	<u>38,896,468</u>	<u>31,299,052</u>
Liabilities:		
Accounts Payable	936,644	1,210,023
Other liabilities	5,331,402	5,036,852
Total liabilities	<u>6,268,046</u>	<u>6,246,875</u>
Total deferred Inflows of Resources	<u>719,890</u>	<u>791,103</u>
Fund balances:		
Nonspendable	234,225	1,600
Restricted	24,249,648	21,199,073
Unassigned	<u>7,424,659</u>	<u>3,060,401</u>
Total fund balances	<u>\$ 31,908,532</u>	<u>\$ 24,261,074</u>

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

**General Fund.** The General Fund is the chief operating fund of the City. The General Fund's fund balance increased from \$3,626,544 as of June 30, 2020 to \$7,759,469 as of June 30, 2021; a total increase of \$4,132,925, or 113.96%. The City has made significant strides since 2013 to eliminate the General Fund deficit. In 2013, San Fernando voters approved a ½-cent local transaction tax (Measure A) for a period of seven years. In 2008, voters approved to extend the tax indefinitely. In November 2020, voters approved an additional 0.25% local transaction tax (Measure SF). The collection of transaction tax revenues has been imperative to the City's deficit elimination plan, in addition to providing a long-term financial stability.

**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 \$11,555,395 as of June 30, 2020 to \$11,743,822 as of June 30, 2021; a total increase of \$188,427, or 1.63%. Tax revenues for the year, increased due to slight growth in assessed values in San Fernando and an increased in employee pension contributions implemented through labor negotiations. Assets in the Retirement Tax fund are restricted to pay the City's long-term pension obligation to CalPERS.

**CITY OF SAN FERNANDO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**Capital Grants Fund.** The Capital Grants Fund is a special revenue fund used to account for grants from another governmental agency or other organizations and are restricted for specific capital projects. The fund balance increased from \$ (483,916) as of June 30, 2020 to \$2,607,455 as of June 30, 2021. In most cases grant agencies issue reimbursable grants, in this case the increase is due to grantor agencies advancing the funds to complete capital projects.

**PROPRIETARY FUNDS FINANCIAL ANALYSIS**

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

**Enterprise Funds.** Total net position increased from \$12,714,097 as of June 30, 2020 to \$14,232,878 as of June 30, 2021; a total increase of \$1,518,781 or 11.95%. 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 \$ (556,336) as of June 30, 2020 to \$ (775,234) as of June 30, 2021; for a total decrease \$218,898, or 39.35%. 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 \$21,477,735 in fiscal year 2020-21, compared to the \$17,046,528 final budget; a difference of \$4,431,207, or 25.99%. The difference is predominately due to additional sales and use tax revenue, residual property tax and investment earnings.

**Summary of General Fund Revenues**

**Budget and Actual**

**June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 12,078,000	\$ 12,078,000	\$ 16,318,437	\$ 4,240,437
Licenses and Permits	292,000	292,000	326,352	34,352
Charges for Services	734,040	734,040	637,621	(96,419)
Fines and Forfeitures	512,800	512,800	498,845	(13,955)
Investment Earnings	496,640	496,640	580,890	84,250
Intergovernmental	2,610,048	2,610,048	2,791,223	181,175
Other	323,000	323,000	324,367	1,367
<b>Total Revenues</b>	<b>\$ 17,046,528</b>	<b>\$ 17,046,528</b>	<b>\$ 21,477,735</b>	<b>\$ 4,431,207</b>

**CITY OF SAN FERNANDO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)**

*Expenditures.* Actual General Fund expenditures were \$19,272,999 in fiscal year 2020-2021, compared to the \$19,526,791 final budget; a difference of \$253,792 or 1.30%. The variance is a result of prudent financial decisions in response to economic restrictions imposed by COVID-19 to maintain core services and contain costs. In addition, the City offered an employee retirement incentive program.

**Summary of General Fund Expenditures**

**Budget and Actual**

**June 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive(Negative)
Expenditures				
General Government:				
City Council	\$ 198,621	\$ 198,621	\$ 155,139	\$ 43,482
Treasurer	95,642	60,602	55,827	4,775
Administration	270,902	270,902	262,422	8,480
Personnel	238,934	238,934	244,966	(6,032)
City Attorney (contract)	184,332	215,009	212,124	2,885
City Clerk	208,320	208,718	175,405	33,313
Elections	55,000	62,500	47,301	15,199
Finance	437,566	441,567	456,565	(14,998)
Information Technology (contract)	287,692	287,692	228,142	59,550
Retirement and Nondepartmental	956,541	883,340	832,976	50,364
Public Safety:				
Police	8,519,788	8,526,428	8,436,831	89,597
Fire (contract)	2,900,000	2,900,000	2,819,881	80,119
Community Development	1,195,052	1,190,975	1,055,081	135,894
Public Works	1,201,719	1,183,765	1,177,423	6,342
Parks and Recreation	1,323,595	1,243,278	1,099,710	143,568
Capital Outlay	-	1,498,189	1,498,189	-
Debt Service	16,000	116,271	515,017	(398,746)
Total Expenditures	18,089,704	19,526,791	19,272,999	253,792
Excess (Deficiency) of Revenues over Expenditures	(1,043,176)	(2,480,263)	2,204,736	4,684,999
Other Financing Sources (Uses)				
Issuance of Debt	-	-	1,498,189	1,498,189
Transfers In	505,000	490,000	450,000	(40,000)
Transfers Out	(445,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	60,000	470,000	1,928,189	1,458,189
Net Change in Fund Balance	(983,176)	(2,010,263)	4,132,925	6,143,188
Fund Balance, Beginning of Year	3,626,544	3,626,544	3,626,544	-
Fund Balance, End of Year	\$ 2,643,368	\$ 1,616,281	\$ 7,759,469	\$ 6,143,188

**CITY OF SAN FERNANDO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$45,312,004 as of June 30, 2021. 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, 2021 was \$1,905,503 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 45-46 of this report.

**Capital Assets (Note 4)**  
**Net of Accumulated Depreciation**  
**June 30, 2021**

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 5,696,144	\$ 1,826,489	\$ 7,522,633
Capital assets being depreciated	105,980,132	41,633,921	147,614,053
Less accumulated depreciation	(66,364,272)	(27,389,559)	(93,753,831)
<b>Net Capital Assets</b>	<b>45,312,004</b>	<b>16,070,851</b>	<b>61,382,855</b>

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 and sewer operations include: various water and sewer main replacements.

**Debt Administration.** Long-term debts for Governmental Activities increased from \$81,622,387 as of June 30, 2020 to \$91,813,128 as of June 30, 2021; a total increase of \$10,190,741 or 12.49%. Total long-term debts in governmental and business activities consist of the following:

**Long-Term Liabilities (Note 6)**  
**June 30, 2021**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
2016 Installment Sale Agreement	\$ 2,470,000	\$ -	\$ (90,000)	\$ 2,380,000	\$ 95,000
Premium	108,511	-	(5,711)	102,800	5,711
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	-	1,691,903	(580,657)	1,111,246	550,037
Claims Payable	2,987,895	266,037	-	3,253,932	725,313
Insurance Assessment Payable	567,399	-	(81,057)	486,342	81,057
Compensated Absences	1,591,879	839,138	(975,054)	1,455,963	480,910
Net Pension Liability (Note 7)	36,843,779	2,593,078	-	39,436,857	-
Net OPEB Liability (Note 8)	37,052,924	6,533,064	-	43,585,988	-
<b>Total</b>	<b>\$ 81,622,387</b>	<b>\$ 11,923,220</b>	<b>\$ (1,732,479)</b>	<b>\$ 91,813,128</b>	<b>\$ 1,938,028</b>
<b>Business-type Activities:</b>					
Compensated Absences	\$ 237,867	\$ 125,389	\$ (145,698)	\$ 217,558	\$ 71,860
Net Pension Liability (Note 7)	6,104,419	105,239	-	6,209,658	-
Net OPEB Liability (Note 8)	6,552,690	-	(39,841)	6,512,849	-
Loan Payable from Direct Borrowing:					
Radio Equipment Purchase	-	308,029	(105,721)	202,308	97,066
2020 Installment Sale Agreement	1,350,000	-	(125,000)	1,225,000	125,000
<b>Total</b>	<b>\$ 14,244,976</b>	<b>\$ 538,657</b>	<b>\$ (416,260)</b>	<b>\$ 14,367,373</b>	<b>\$ 293,926</b>



## **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 2020-2021 was \$2,176,500,330. 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 \$544,125,083. Therefore, the legal debt margin is \$81,618,762, which is well in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements on pages 47-50 of this report.

## **ECONOMIC FACTORS AND NEXT YEARS BUDGET**

### Economy

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.

It is important to understand the projected direction of the economy to develop an accurate budget. Prior to the onset of the COVID-19 pandemic in March 2020, the national and state economies were in the midst of the longest recorded economic expansion. The economy had been on a long, slow recovery since the end of the Great Recession in 2009 with strong fundamentals, such as low unemployment, increasing household income and personal consumption, and most stock market indices were at record levels.

Then the unexpected shock of the global COVID-19 pandemic rapidly reversed the financial strength of the last decade and dramatically altered lives across the United States. As a result of the rising COVID-19 infection rate and the ensuing business restrictions, the beginning of 2020 brought dramatic spikes in job losses, "non-essential" business closures, fractured supply chains (remember the toilet paper shortage) and widespread uncertainty hampered the flow of goods, services, and cash. The following analysis of the federal, state and local economic outlooks provide context for the City's revenue projections.

### Federal Economy

According to the Bureau of Economic Analysis, Gross Domestic Product, which is a measure of output for the US economy, fell by 4.1% in 2020 and marks the largest GDP contraction in recent economic history. GDP is expected to grow by approximately 3.0% in 2021 and 3.3% in 2022.<sup>1</sup> Although GDP is projected to increase, real GDP is expected to take a few years before it returns to pre-COVID-19 levels. Additionally, continued uncertainty of the virus poses a threat to the future GDP growth.

The national job market took a significant hit in 2020 with unemployment hitting a record high of 14.7% in April 2020 before declining to 6.7% in December. The leisure and hospitality industry experienced an unemployment rate of 39.3% in April, before declining to 16.7% in December. Workers without a college degree experienced worse unemployment rates in April (e.g., 21.2% for workers with no high school degree) than workers with a Bachelor's degree or higher (8.4%). Racial and ethnic minorities had relatively high unemployment rates in April (16.7% for Black workers compared to 14.2% for White workers, and 18.9% for Hispanic workers compared to 13.6% for non-Hispanic workers), and these gaps persisted in December<sup>2</sup>. Through April 2021, the national unemployment rate is 6.0% and continues to improve due to resumption in economic activity that had been curtailed due to the pandemic.<sup>3</sup>

The federal government passed large spending bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan, to provide financial assistance to American businesses and workers. One of the common threats associated with large government spending is devaluation of the dollar, which may lead to inflation. The Consumer Price Index (CPI) is a measure of price inflation and is closely monitored by

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<sup>1</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf)

<sup>2</sup> Congressional Research Service, *Unemployment Rates During the COVID-19 Pandemic: In Brief*; Prepared January 12, 2021; <https://fas.org/sgp/crs/misc/R46554.pdf> visited 5/2/2021

<sup>3</sup> Bureau of Labor Statistics, *Employment Situation Summary*; Released 4/2/2021 <https://www.bls.gov/news.release/empsit.nr0.htm> visited 5/2/2021

## **ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)**

the Federal Reserve Bank (Fed), who is charged with monitoring monetary policy and controlling inflation. According to the Bureau of Labor Statistics, the federal agency responsible for measuring CPI, the CPI for All

Urban Consumers rose 2.6% for the 12 months ending March 2021, which is the largest year-over-year increase since August 2018. High inflation can put downward pressure on the economy and make the goods and services consumers buy more expensive. The direction of this indicator will be watched closely in the coming months.

In contrast to GDP, employment, and CPI, economic indicators such as the Dow Jones Industrial Average (DJIA) and the S&P 500 have performed well throughout the pandemic, both reaching record highs. The exceptional performance of stock market indicators relative to other key metrics like employment could represent a few different key economic inferences. The stock market is inherently forward looking, and this trend might indicate strong investor confidence in an expedited recovery (at a minimum for large corporations) or the position of large, publicly traded businesses relative to their smaller, private, counterparts.

In summary, the short-term economic indicators point to a steady economy over the upcoming fiscal year. The lasting impact of the pandemic, particularly on smaller businesses, prices, and low-wage earners, still remains to be seen and may eventually put downward pressure on the national economy.

### State Economy

Like the rest of the United States, California has been severely impacted by the COVID-19 pandemic. By the end of January 2021, California had more COVID-19 cases than any other state in the nation. The pandemic and subsequent crisis initiated immense shifts in the economic performance of California in 2020. The first half of 2020 brought a sharp spike in unemployment due to a rapid decline in consumer spending and mandated business closures. Non-farm employment in California fell substantially, especially in industries that are considered non-essential or provide services that require a high degree of personal interaction. The loss of income stemming from unemployment further complicated an ongoing housing crisis. California remains significantly more expensive than much of the United States, with nearly double the median home price and a larger share of rent-burdened households. The state legislature provided protections for renters and homeowners who could not make housing payments, but these protections will soon expire barring renewal.<sup>4</sup>

California's unemployment rose sharply from 3.9% in February to a peak of 16.4% in April and May 2020. Revenue losses stemming from COVID-19 were felt almost immediately as consumer spending in California between January and mid-April 2020 declined by 36%. Job losses were immediate too, distinguishing the current COVID-19 recession from the 2001 dotcom recession and the Great Recession, where unemployment rose gradually over time. As daily case rates fell, businesses were able to open with restrictions and the unemployment rate declined from 16.4% in April to 8.2% in November 2020 before a second wave of cases and the resultant reinstated restrictions pushed the state's unemployment back up to 9.0% in December.<sup>5</sup>

California's median home listing price was \$727,050 in December 2020, more than double the national median home price of \$340,050. In 2019, about 51% of California's population experienced rent burden, when a household spends a third or more of their income on housing, which was 6% higher than the nation as a whole. Just over 25% were severely rent burdened; having spent more than half of their income on housing. Issues with housing affordability and availability combined with the negative financial and social effects of COVID-19 may prove challenging, as residents look for alternative, more affordable places to reside. While COVID-19 poses the largest economic threat, the building of housing remains on the state's radar of pertinent economic legislation.<sup>6</sup>

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<sup>4</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf) visited 5/2/2021

<sup>5</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf) visited 5/2/2021

<sup>6</sup> 2021 LAEDC Economic Forecast & Industry Outlook; [https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast\\_Final.pdf](https://laedc.org/wp-content/uploads/2021/02/LAEDC-2021-Economic-Forecast_Final.pdf) visited 5/2/2021

## **ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)**

California has faced a number of challenges over the past year, including unprecedented employment declines related to the current health crisis, a declining population, and falling homeownership. Achieving herd immunity through vaccination would likely ameliorate the employment contraction, but population growth and housing accessibility troubled California long before COVID-19. Resources and time have been used to manage the pandemic, which may result in further delay in addressing long-standing challenges in California.

Similar to the federal outlook, the California economy is expected to remain steady through 2021. Beyond that, federal economic policies and housing affordability may begin to have a significant impact on the state economy.

### Local Economy

The resiliency of San Fernando's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service business such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp, and Vallarta. The City does not have a significant leisure and tourism industry, which was hardest hit by pandemic related economic restrictions. However, the City does have a number of businesses that support the Entertainment Industry, which was hit hard by the pandemic.

Small businesses, which are the lifeblood of the City's unique character and charm, were hit hardest by the economic restrictions imposed by COVID-19. These small businesses provide in-person services, including restaurants, bars, hair salons, nail salons, laundry services, niche retail, etc., that rely on personal interaction and are often incompatible with remote operations. COVID-19 prevented such services due to the risk of transmission associated with unnecessary person-to-person contact.

Many of the City's small businesses have had to rely on Paycheck Protection Program (PPP) Loans and rent deferral to remain afloat throughout the pandemic, while others have had to close their doors for good. San Fernando has approved a number of COVID-19 Relief Programs for businesses and should have the opportunity to provide additional relief when the expected American Rescue Plan funds are received.

The true extent of the long-term local impact of high unemployment, economic displacement, mounting debt, and business failures will not be known for many months after the declared COVID-19 emergency is finally lifted. What is known is that the ramifications of the economic and social shock caused by COVID-19 will last well into the future. Once public gatherings and full economic activity is safe again, San Fernando will hopefully see an abundance of activity as households who have not been negatively impacted during the pandemic will likely have increased savings (reduced consumption) and pent-up demand for entertainment after more than a year of quarantines and social distancing. Once herd immunity is reached at the national, state, and local level, I expected San Fernando to bounce back and recover stronger than ever.

### Budget Outlook

The emphasis of the FY 2021-2022 Budget is to transition from responding to the COVID-19 pandemic to recovering from the pandemic, with an eye toward the future. City Council provided staff with a roadmap for budgeting and Department Work Plans for the next five years with the Strategic Goals 2022-2025. Due to prudent financial leadership from the City Council since the Great Recession, the City is now in position to allocate resources to implement and achieve a number of critical goals and significantly enhance the quality of life in San Fernando by increasing the quality of the services the City currently provides.

## **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 Sonia Gomez-Garcia, Interim Director of Finance at [sgarcia@sfcity.org](mailto:sgarcia@sfcity.org) or 117 Macneil Street, San Fernando, California, 91340.

## **BASIC FINANCIAL STATEMENTS**

**City of San Fernando**  
**Statement of Net Position**  
June 30, 2021

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 31,384,970	\$ 11,263,606	\$ 42,648,576
Restricted Cash and Investments	424,839	-	424,839
Receivables:			
Taxes	2,819,723	-	2,819,723
Accounts	251,011	1,500,050	1,751,061
Interest	58,604	-	58,604
Grants	816,189	-	816,189
Loans Receivable	1,524,575	-	1,524,575
Due From Fiduciary Fund	254,127	-	254,127
Internal Balances	274,355	(274,355)	-
Prepaid Items	234,225	-	234,225
Inventories	40,526	-	40,526
Capital Assets, Not Depreciated	5,696,144	1,826,489	7,522,633
Capital Assets, Depreciated, Net	39,615,860	14,244,362	53,860,222
Total Assets	<u>83,395,148</u>	<u>28,560,152</u>	<u>111,955,300</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to OPEB	6,061,802	599,518	6,661,320
Deferred Outflows Related to Pensions	7,390,120	1,143,815	8,533,935
Total Deferred Outflows of Resources	<u>13,451,922</u>	<u>1,743,333</u>	<u>15,195,255</u>
<b>LIABILITIES</b>			
Accounts Payable	1,079,738	849,639	1,929,377
Accrued Liabilities	456,089	52,213	508,302
Interest Payable	24,270	-	24,270
Deposits Payable	363,438	46,783	410,221
Unearned Revenue	553,604	-	553,604
Due to Other Agencies	244,195	-	244,195
Long-Term Liabilities:			
Due Within One Year	1,938,028	293,926	2,231,954
Due in More Than One Year	89,875,100	14,073,447	103,948,547
Total Liabilities	<u>94,534,462</u>	<u>15,316,008</u>	<u>109,850,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to OPEB	4,295,376	641,838	4,937,214
Deferred Inflows Related to Pensions	471,283	112,761	584,044
Total Deferred Inflows of Resources	<u>4,766,659</u>	<u>754,599</u>	<u>5,521,258</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	41,717,958	14,643,543	56,361,501
Restricted for:			
Transportation	7,804,634	-	7,804,634
Housing	3,439,544	-	3,439,544
Air Pollution	123,463	-	123,463
Parks & Recreation	27,763	-	27,763
Public Safety	622,427	-	622,427
Retirement	11,743,822	-	11,743,822
Community Development	156,469	-	156,469
Parking	342,809	-	342,809
Unrestricted	(68,432,940)	(410,665)	(68,843,605)
Total Net Position	<u>\$ (2,454,051)</u>	<u>\$ 14,232,878</u>	<u>\$ 11,778,827</u>

The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Activities**  
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 8,331,758	\$ 836,190	\$ -	\$ -
Public Safety	12,449,356	958,218	735,858	-
Community Development	1,791,458	492,207	784,680	-
Public Works	5,856,079	489,028	2,339,412	5,092,216
Parks and Recreation	1,965,303	131,349	68,000	102,002
Interest Expense	100,653	-	-	-
Total Governmental Activities	30,494,607	2,906,992	3,927,950	5,194,218
<b>Business-type Activities:</b>				
Water	4,354,894	4,993,300	-	-
Sewer	3,011,816	4,025,086	-	-
Compressed Natural Gas	95,615	140,910	-	-
Waste Disposal	5,961	114	-	-
Total Business-type Activities	7,468,286	9,159,410	-	-
Total Primary Government	<u>\$ 37,962,893</u>	<u>\$ 12,066,402</u>	<u>\$ 3,927,950</u>	<u>\$ 5,194,218</u>

General Revenues:

Taxes:

Property

Sales and Use

Business License Taxes

Franchise

Other Taxes

Investment Income

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year (Restated)

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (7,495,568)	\$ -	\$ (7,495,568)
(10,755,280)	-	(10,755,280)
(514,571)	-	(514,571)
2,064,577	-	2,064,577
(1,663,952)	-	(1,663,952)
<u>(100,653)</u>	<u>-</u>	<u>(100,653)</u>
<u>(18,465,447)</u>	<u>-</u>	<u>(18,465,447)</u>
-	638,406	638,406
-	1,013,270	1,013,270
-	45,295	45,295
<u>-</u>	<u>(5,847)</u>	<u>(5,847)</u>
<u>-</u>	<u>1,691,124</u>	<u>1,691,124</u>
<u>(18,465,447)</u>	<u>1,691,124</u>	<u>(16,774,323)</u>
10,725,774	-	10,725,774
10,186,845	-	10,186,845
1,554,102	-	1,554,102
741,355	-	741,355
341,780	-	341,780
7,759	7,657	15,416
239,242	-	239,242
<u>180,000</u>	<u>(180,000)</u>	<u>-</u>
<u>23,976,857</u>	<u>(172,343)</u>	<u>23,804,514</u>
5,511,410	1,518,781	7,030,191
<u>(7,965,461)</u>	<u>12,714,097</u>	<u>4,748,636</u>
<u>\$ (2,454,051)</u>	<u>\$ 14,232,878</u>	<u>\$ 11,778,827</u>

**City of San Fernando**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2021

	General Fund	Retirement Tax	Capital Grants	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 10,108,182	\$ 7,469,196	\$ 2,259,497	\$ 8,551,706	\$ 28,388,581
Restricted Cash and Investments	-	-	-	424,839	424,839
Receivables:					
Taxes	2,590,506	123,655	-	105,562	2,819,723
Accounts	143,635	3,378	-	66,517	213,530
Interest	58,604	-	-	-	58,604
Grants	-	-	652,113	164,076	816,189
Due From Other Funds	-	-	-	-	-
Loans Receivable	-	-	-	1,524,575	1,524,575
Due from Successor Agency	-	-	-	254,127	254,127
Advances to Other Funds	-	4,162,075	-	-	4,162,075
Prepaid Items	234,225	-	-	-	234,225
Total Assets	<u>\$ 13,135,152</u>	<u>\$ 11,758,304</u>	<u>\$ 2,911,610</u>	<u>\$ 11,091,402</u>	<u>\$ 38,896,468</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 383,981	\$ 14,482	\$ 140,176	\$ 398,005	\$ 936,644
Accrued Liabilities	401,058	-	29	22,257	423,344
Deposits	351,936	-	-	11,502	363,438
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	553,604	553,604
Due to Other Agencies	-	-	-	244,195	244,195
Advances From Other Funds	3,746,821	-	-	-	3,746,821
Total Liabilities	<u>4,883,796</u>	<u>14,482</u>	<u>140,205</u>	<u>1,229,563</u>	<u>6,268,046</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Grants	491,887	-	163,950	64,053	719,890
Total Deferred Inflows of Resources	<u>491,887</u>	<u>-</u>	<u>163,950</u>	<u>64,053</u>	<u>719,890</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Items	234,225	-	-	-	234,225
Restricted For:					
Transportation	-	-	2,607,455	5,249,949	7,857,404
Housing	-	-	-	3,439,544	3,439,544
Air Pollution	-	-	-	123,463	123,463
Parks and Recreation	-	-	-	27,763	27,763
Public Safety	-	-	-	561,142	561,142
Retirement	-	11,743,822	-	-	11,743,822
Community Development	-	-	-	153,701	153,701
Parking	-	-	-	342,809	342,809
Unassigned	7,525,244	-	-	(100,585)	7,424,659
Total Fund Balances	<u>7,759,469</u>	<u>11,743,822</u>	<u>2,607,455</u>	<u>9,797,786</u>	<u>31,908,532</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,135,152</u>	<u>\$ 11,758,304</u>	<u>\$ 2,911,610</u>	<u>\$ 11,091,402</u>	<u>\$ 38,896,468</u>

The accompanying notes are an integral part of this statement.



**City of San Fernando**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2021

Fund Balances for Governmental Funds	\$ 31,908,532
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

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

Capital Assets	111,482,562
Accumulated Depreciation	(66,364,272)

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:

Net Pension Liability	(39,436,857)
Compensated Absences	(1,455,963)
Other Post-employment Benefits (OPEB) Liability	(43,585,988)
2016 Installment Sale Agreement	(2,380,000)
Premium on 2016 Installment Sale Agreement	(102,800)
Loan Payable - Radio Equipment Purchase	(984,015)
Interest Payable on Long-term Debt	(24,270)

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	7,390,120
Deferred Inflows Related to Pensions	(471,283)
Deferred Outflows Related to OPEB	6,061,802
Deferred Inflows Related to OPEB	(4,295,376)

Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	719,890
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The internal service fund is used by management to charge the costs of equipment purchases to individual funds. The assets and liabilities of the internal service fund are included in Governmental Activities in the Statement of Net Position.	(916,133)
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Net Position of Governmental Activities	<u><u>\$ (2,454,051)</u></u>
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The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2021

	General Fund	Retirement Tax	Capital Grants	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 16,318,437	\$ 4,828,340	\$ -	\$ 2,242,884	\$ 23,389,661
Licenses and Permits	326,352	-	-	-	326,352
Charges for Services	637,621	-	-	167,083	804,704
Fines and Forfeitures	498,845	-	-	8,596	507,441
Investment Earnings	580,890	(11,731)	-	83,347	652,506
Intergovernmental	2,791,223	-	4,788,338	2,144,786	9,724,347
Other	324,367	110,504	-	57,348	492,219
 Total Revenues	 21,477,735	 4,927,113	 4,788,338	 4,704,044	 35,897,230
<b>EXPENDITURES</b>					
Current:					
General Government	2,670,867	3,353,073	-	64,177	6,088,117
Public Safety	11,256,712	1,141,947	647	63,250	12,462,556
Community Development	1,055,081	92,569	-	248,242	1,395,892
Public Works	1,177,423	65,871	29,198	1,598,053	2,870,545
Parks and Recreation	1,099,710	85,226	48,209	319,468	1,552,613
Capital Outlay	1,498,189	-	1,618,913	1,327,481	4,444,583
Debt Service:					
Principal	514,174	-	-	90,000	604,174
Interest and Fiscal Charges	843	-	-	88,638	89,481
 Total Expenditures	 19,272,999	 4,738,686	 1,696,967	 3,799,309	 29,507,961
 Excess of Revenues Over (Under) Expenditures	 2,204,736	 188,427	 3,091,371	 904,735	 6,389,269
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt	1,498,189	-	-	-	1,498,189
Transfers In	450,000	-	-	20,000	470,000
Transfers Out	(20,000)	-	-	(330,000)	(350,000)
 Total Other Financing Sources (Uses)	 1,928,189	 -	 -	 (310,000)	 1,618,189
 Net Change in Fund Balances	 4,132,925	 188,427	 3,091,371	 594,735	 8,007,458
 Fund Balances, Beginning (Restated)	 3,626,544	 11,555,395	 (483,916)	 9,203,051	 23,901,074
 Fund Balances, End of Year	 <u>\$ 7,759,469</u>	 <u>\$ 11,743,822</u>	 <u>\$ 2,607,455</u>	 <u>\$ 9,797,786</u>	 <u>\$ 31,908,532</u>

The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 8,007,458

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	4,434,492
Depreciation Expense	(2,722,703)

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	90,000
Amortization of Premium on Installment Sale Agreement	5,711
Principal payment on Radio Equipment Loan	514,174
Issuance of Debt - Radio Equipment Loan	(1,498,189)

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	135,916
Net Pension Liability	(2,593,078)
Other Post-employment Benefit Liability	(6,533,064)
Accrued Interest Payable	(16,883)

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	314,993
Deferred Inflows Related to Pensions	951,982
Deferred Outflows Related to OPEB	3,253,961
Deferred Inflows Related to OPEB	1,428,861

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. (71,213)

The change in net position of the internal service fund is reported with governmental activities. (191,008)

Change in Net Position of Governmental Activities	\$ 5,511,410
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The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2021

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 6,291,532	\$ 4,712,770	\$ 259,304	\$ 11,263,606
Customer Accounts Receivable, Net	769,656	730,394	-	1,500,050
Inventory	-	-	-	-
Total Current Assets	7,061,188	5,443,164	259,304	12,763,656
Noncurrent Assets:				
Advances to Other Funds	-	639,886	-	639,886
Capital Assets:				
Land	981,168	-	-	981,168
Water Rights	624,659	-	-	624,659
Construction in Progress	220,662	-	-	220,662
Buildings and Plant	5,630,795	118,500	-	5,749,295
Infrastructure	17,752,763	7,885,360	-	25,638,123
Land Improvements	1,676,392	-	-	1,676,392
Equipment	7,348,749	1,167,705	53,657	8,570,111
Less: Accumulated Depreciation	(22,287,653)	(5,053,387)	(48,519)	(27,389,559)
Total Noncurrent Assets	11,947,535	4,758,064	5,138	16,710,737
Total Assets	19,008,723	10,201,228	264,442	29,474,393
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB Actuarial Amounts	466,292	133,226	-	599,518
Pension Actuarial Amounts	762,543	381,272	-	1,143,815
Total Deferred Outflows of Resources	1,228,835	514,498	-	1,743,333
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	335,008	485,630	29,001	849,639
Accrued Liabilities	34,710	17,501	2	52,213
Current Portion of Insurance Payable	-	-	-	-
Current Portion of Claims Payable	-	-	-	-
Current Portion of Compensated Absences	44,222	27,638	-	71,860
Current Portion of Installment Sale Agreement	125,000	-	-	125,000
Current Portion of Lease-Purchase Agreement	51,769	45,297	-	97,066
Customer Deposits	46,783	-	-	46,783
Total Current Liabilities	637,492	576,066	29,003	1,242,561
Noncurrent Liabilities:				
Advances From other Funds	809,123	246,017	-	1,055,140
Insurance Assessment Payable	-	-	-	-
Claims Payable	-	-	-	-
Compensated Absences	89,660	56,038	-	145,698
Installment Sale Agreement	1,100,000	-	-	1,100,000
Lease-Purchase Agreement	58,976	46,266	-	105,242
Net OPEB Liability	4,007,907	2,504,942	-	6,512,849
Net Pension Liability	4,139,772	2,069,886	-	6,209,658
Total Noncurrent Liabilities	10,205,438	4,923,149	-	15,128,587
Total Liabilities	10,842,930	5,499,215	29,003	16,371,148
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB Actuarial Amounts	394,977	246,861	-	641,838
Pension Actuarial Amounts	75,174	37,587	-	112,761
Total Deferred Inflows of Resources	470,151	284,448	-	754,599
<b>NET POSITION</b>				
Net Investment In Capital Assets	10,611,790	4,026,615	5,138	14,643,543
Unrestricted	(1,687,313)	905,448	230,301	(551,564)
Total Net Position	\$ 8,924,477	\$ 4,932,063	\$ 235,439	14,091,979
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				140,899
Net Position of Business-type Activities				\$ 14,232,878

The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
Year Ended June 30, 2021

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 4,993,300	\$ 4,025,086	\$ 135,162	\$ 9,153,548
Other	-	-	5,862	5,862
Total Operating Revenues	4,993,300	4,025,086	141,024	9,159,410
<b>OPERATING EXPENSES</b>				
Contractual Services	30,057	968,382	-	998,439
Maintenance and Operations	3,558,412	1,868,531	96,304	5,523,247
Administration and General	-	-	2,642	2,642
Claims	-	-	-	-
Depreciation	721,526	159,220	2,630	883,376
Total Operating Expenses	4,309,995	2,996,133	101,576	7,407,704
Operating Income (Loss)	683,305	1,028,953	39,448	1,751,706
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	(8,201)	15,092	766	7,657
Interest Expense	(30,954)	(1,738)	-	(32,692)
Total Nonoperating Revenues (Expenses)	(39,155)	13,354	766	(25,035)
Income (Loss) Before Transfers	644,150	1,042,307	40,214	1,726,671
Transfers In	-	-	-	-
Transfers Out	(120,000)	(60,000)	-	(180,000)
Change in Net Position	524,150	982,307	40,214	1,546,671
Net Position, Beginning of Year	8,400,327	3,949,756	195,225	(556,336)
Net Position, End of Year	<u>\$ 8,924,477</u>	<u>\$ 4,932,063</u>	<u>\$ 235,439</u>	<u>\$ (775,234)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(27,890)
Change in Net Position of Business-type Activities				<u>\$ 1,518,781</u>

The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Cash Flows**  
**Proprietary Funds**  
Year Ended June 30, 2021

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	Funds
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 4,735,854	\$ 3,856,178	\$ 136,713	\$ 8,728,745	\$ 3,606,067
Payments to Suppliers and Contractors	(2,147,402)	(2,401,335)	(79,629)	(4,628,366)	(2,273,798)
Payments to Employees	(1,524,082)	(800,135)	-	(2,324,217)	(1,700,126)
Claims Paid	-	-	-	-	266,037
Other Operating Income	-	-	8,504	8,504	240
Net Cash Flows from Operating Activities	1,064,370	654,708	65,588	1,784,666	(101,580)
<b>Cash Flows from Noncapital Financing Activities</b>					
Loans from (to) Other Funds	(130,789)	109,396	-	(21,393)	-
Interest Expense Paid on Advances	(30,954)	(1,738)	-	(32,692)	-
Transfers from Other Funds	-	-	-	-	60,000
Transfers to Other Funds	(120,000)	(60,000)	-	(180,000)	-
Net Cash Flows from Noncapital Financing Activities	(281,743)	47,658	-	(234,085)	60,000
<b>Cash Flows from Capital Financing Activities</b>					
Debt Proceeds	168,622	139,407	-	308,029	193,714
Payments on Long-term Debt	(182,877)	(47,844)	-	(230,721)	(66,483)
Acquisition of Capital Assets	(510,313)	(289,952)	-	(800,265)	(193,714)
Net Cash Flows from Capital Financing Activities	(524,568)	(198,389)	-	(722,957)	(66,483)
<b>Cash Flows from Investing Activities</b>					
Interest Received	(8,201)	15,092	766	7,657	(6,282)
Net Increase (Decrease) in Cash and Cash Equivalents	249,858	519,069	66,354	835,281	(114,345)
Cash and Cash Equivalents - Beginning of Year	6,041,674	4,193,701	192,950	10,428,325	3,110,734
Cash and Cash Equivalents - End of Year	\$ 6,291,532	\$ 4,712,770	\$ 259,304	\$ 11,263,606	\$ 2,996,389
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 683,305	\$ 1,028,953	\$ 39,448	\$ 1,751,706	\$ (272,616)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	721,526	159,220	2,630	883,376	-
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(102,901)	(168,908)	4,193	(267,616)	(3,469)
(Increase) Decrease in Deferred Outflows - OPEB	(252,652)	(102,706)	-	(355,358)	-
(Increase) Decrease in Deferred Outflows - Pensions	(36,031)	88,824	-	52,793	-
(Increase) Decrease in Prepaids	-	-	-	-	5,598
Increase (Decrease) in Accounts Payable	(31,619)	295,802	19,317	283,500	(17,270)
Increase (Decrease) in Accrued Liabilities	1,779	(2,430)	-	(651)	1,197
Increase (Decrease) in Compensated Absences	(12,498)	(7,811)	-	(20,309)	-
Increase (Decrease) in Net OPEB Liability	77,478	(117,319)	-	(39,841)	-
Increase (Decrease) in Net Pension Liability	433,518	(328,279)	-	105,239	-
Increase (Decrease) in Deferred Inflows - OPEB	(173,170)	(121,464)	-	(294,634)	-
Increase (Decrease) in Deferred Inflows - Pensions	(89,820)	(69,174)	-	(158,994)	-
Increase (Decrease) in Ins. Assessments Payable	-	-	-	-	(81,057)
Increase (Decrease) in Claims Payable	-	-	-	-	266,037
Increase (Decrease) in Customer Deposits	(154,545)	-	-	(154,545)	-
<b>Net Cash Provided by Operating Activities</b>	\$ 1,064,370	\$ 654,708	\$ 65,588	\$ 1,784,666	\$ (101,580)

The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Net Position**  
**Fiduciary Funds**  
June 30, 2021

	Custodial Fund	Successor Agency Private-purpose Trust Fund
<b>ASSETS</b>		
Cash and Investments	\$ 140,900	\$ 2,843,652
Receivables:		
Accounts	-	-
Other Loans	-	543,678
Land Held for Resale	-	468,733
	<hr/>	<hr/>
Total Assets	140,900	3,856,063
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts Payable	6,466	-
Due to City of San Fernando	-	254,127
	<hr/>	<hr/>
Total Liabilities	6,466	254,127
	<hr/>	<hr/>
<b>NET POSITION</b>		
Restricted for Successor Agency	-	3,601,936
Restricted for Individuals and Organizations	134,434	-
	<hr/>	<hr/>
	\$ 134,434	\$ 3,601,936
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**City of San Fernando**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
Year Ended June 30, 2021

	Custodial Fund	Successor Agency Private-purpose Trust Fund
<b>ADDITIONS</b>		
Miscellaneous Collected for Others	\$ 45,677	\$ -
Interest Income	-	73
	<hr/>	<hr/>
Total Additions	45,677	73
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Recipient Payments	43,064	-
Administrative and Passthrough Costs	-	250,000
Interest on Bonds	-	40,416
	<hr/>	<hr/>
Total Deductions	43,064	290,416
	<hr/>	<hr/>
Change in Net Position	2,613	(290,343)
	<hr/>	<hr/>
Net Position - Beginning of Year (Restated)	131,821	3,892,279
	<hr/>	<hr/>
Net Position - End of Year	\$ 134,434	\$ 3,601,936
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.



**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Description of Reporting Entity**

The City of San Fernando, California was incorporated on August 31, 1911 under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The financial statements of the City of San Fernando (City) include the financial activities of the City and its component units for which the City is considered to be financially accountable. Financial accountability is determined on the basis of budget adoptions, taxing authority, funding and composition or appointments of the governing board. Blended component units, although legally separate entities, are part of the City's operations and data from these units are therefore combined with data of the City.

Blended Component Units

The City of San Fernando Public Financing Authority is a Joint Exercise of Powers Authority organized and existing under and by virtue of the Joint Exercise of Power Act of the Government Code of the State. The City and the former Redevelopment Agency formed the Authority by the execution of a Joint Exercise of Powers Agreement. The primary purpose of the Authority is to issue bonds and make loans to the Agency. The Authority is accounted for in the City's financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The City Council members, in separate session, serve as the governing board of the Authority. There are no separate financial statements prepared for the Authority.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the reporting government as a whole, except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

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

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

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied.

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

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

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences that are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

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

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

Fund Classifications

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

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

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

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

The City reports the following major enterprise funds:

The Water Enterprise Fund is used to account for the provision of water services to all residents of the City. All activities necessary to provide such services are accounted for in this fund.

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

The City also reports the following fund types:

The Internal Service Funds are used to account for the financing of goods and services provided by one City department to other departments on a cost-reimbursement basis. The City uses internal service funds to account for facility maintenance, equipment maintenance, equipment replacements and self-insurance.

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

The Custodial Fund is used to account for funds received by the City as an agent for the Senior Association.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

**D) Cash and Cash Equivalents**

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

**E) Investments**

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

**F) Inventories**

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

**G) Land Held for Resale**

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

**H) Capital Assets**

Capital assets, which include land, structures and improvements, machinery and equipment and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed.

Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Capital outlay is recorded as expenditures in the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met.

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

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

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

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

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

**I) Unavailable Revenues**

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

**J) Restricted Assets**

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

**K) Compensated Absences**

Employees can accrue vacation, sick leave or annual leave depending on the employee's status (management or non-management). In addition, non-management personnel may earn compensation time in lieu of overtime pay. Vacation, annual leave, and compensation leave are paid out 100% upon employee termination. Sick leave is paid out up to 25% of existing balance up to 160 hours upon retirement only. Both vacation and annual leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are expected to be paid primarily by the General Fund.

**L) Claims and Judgments**

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. For governmental funds, if claims will not be liquidated from currently available resources, they are recorded only in the government-wide financial statements.

**M) Interfund Transactions**

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Loans are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

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

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**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 30<sup>th</sup>.

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 relating to OPEB and the Net Pension Liability, 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 relating to OPEB and the Net Pension Liability, which qualify for reporting in this category.

**Q) Fund Equity**

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

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

**R) Net Position Flow Assumption**

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

**S) Fund Balances**

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

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

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

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

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

**Fund Balance Policy**

The City Council adopted a Comprehensive Financial Policy on December 5, 2016 that includes a detailed Fund Reserves and Fund Balances policy. The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain unrestricted fund balance in its funds sufficient to fund cash flows of the City and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

The purpose of the City's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary shortfalls or unpredicted one-time expenditures. It is the goal of the City to maintain a contingency reserve of twenty percent (20%) of General Fund "Operating Budget" as originally adopted. Operating Budget for this purpose shall include current expenditure appropriations and shall exclude Capital Improvement Projects and Transfers Out. Appropriation and/or access to these funds are reserved for emergency situations only.

**T) Pensions**

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



**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**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 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 June 15, 2021.

*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, 2020.

*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, 2021.

**2) CASH AND INVESTMENTS**

The following is a summary of cash and investments at June 30, 2021:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and Investments	\$ 42,648,576	\$ 2,984,552	\$ 45,633,128
Restricted Cash and Investments	424,839	-	424,839
Total Cash and Investments	<u>\$ 43,073,415</u>	<u>\$ 2,984,552</u>	<u>\$ 46,057,967</u>

Cash and investments at June 30, 2021 consisted of the following:

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**2) CASH AND INVESTMENTS – Continued**

Demand Deposits	\$ 13,995,520
Petty Cash	2,800
Investments	<u>32,059,647</u>
Total Cash and Investments	<u>\$ 46,057,967</u>

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

**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
Municipal Bonds	5 years	None	N/A
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million
Money Market Mutual Funds	N/A	20%	10%

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Most of the City's investments are held in trust by a fiscal agent as required by the bond indenture. A table summarizing distribution of the City's investment by maturity as of June 30, 2021 is as follows:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25 to 60 Months	
Local Agency Investment Fund	\$ 16,693,350	\$ -	\$ -	\$ 16,693,350
Money Market Mutual Funds	29,412	-	-	29,412
Certificates of Deposit	1,989,814	2,042,896	2,653,452	6,686,162
U.S. Treasury Note	-	-	1,311,480	1,311,480
Corporate Medium-term Notes	558,870	1,469,706	4,580,725	6,609,301
Municipal Bonds	-	305,103	-	305,103
Held by Bond Trustees:				
Money Market Mutual Funds	424,839	-	-	424,839
Total	<u>\$ 19,696,285</u>	<u>\$ 3,817,705</u>	<u>\$ 8,545,657</u>	<u>\$ 32,059,647</u>

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**2) CASH AND INVESTMENTS – Continued**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code or the City's investment policy and actual rating by S & P as of year-end for each investment type:

Investment Type	Total Investments	Minimum Legal Rating	Rating as of Year End			
			AAA	AA+/A	Not Required to be Rated	Unrated
Local Agency Investment Fund	\$ 16,693,350	N/A	\$ -	\$ -	\$ -	\$ 16,693,350
Money Market Mutual Funds	29,412	N/A	-	-	-	29,412
Certificates of Deposit	6,686,162	N/A	-	-	-	6,686,162
U.S. Treasury Note	1,311,480	N/A	-	-	1,311,480	-
Corporate Medium-term Notes	6,609,301	AA	995,280	5,614,021	-	-
Municipal Bonds	305,103	AA	305,103	-	-	-
Held by Bond Trustees:						
Money Market Mutual Funds	424,839	AAA	424,839	-	-	-
<b>Total</b>	<b>\$ 32,059,647</b>		<b>\$ 1,725,222</b>	<b>\$ 5,614,021</b>	<b>\$ 1,311,480</b>	<b>\$ 23,408,924</b>

**Concentration of Credit Risk**

At June 30, 2021, the City had no investments in any one issuer that represent more than 5% of total City investments.

**Custodial Credit Risk**

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City did not have any deposits with financial institutions in excess of Federal depository insurance limits and held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**2) CASH AND INVESTMENTS – Continued**

**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, 2021:

- U.S. Treasury Notes of \$1,311,480 are valued using quoted market prices (Level 1 inputs).
- Corporate Medium-term Notes of \$6,609,301 are valued using a matrix pricing model (Level 2 inputs).
- Certificates of Deposit of \$6,686,162 are valued using a matrix pricing model (Level 2 inputs).
- Municipal Bonds of \$305,103 are valued using a matrix pricing model (Level 2 inputs).

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Long-term Advances**

At June 30, 2021, the City reported the following interfund long-term advances:

		ADVANCES FROM		
		Retirement Tax Fund	Sewer Fund	Total
ADVANCES TO	General Fund	\$ 3,670,040	\$ 76,781	\$ 3,746,821
	Water Fund	246,018	563,105	809,123
	Sewer Fund	246,017	-	246,017
	Total	<u>\$ 4,162,075</u>	<u>\$ 639,886</u>	<u>\$ 4,801,961</u>

- (1) On May 7, 2001, the the Sewer Enterprise Fund advanced \$750,000 to the Capital Grants Capital Projects Fund. In the 2013-14 fiscal year, the General Fund assumed the advance payable as a result of the Capital Grants Fund's inability to repay the advance. As of June 30, 2021, the outstanding balance due to the Sewer Enterprise Fund is \$76,781.
- (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, 2021, the outstanding balance of the advance is \$563,105.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued**

(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 \$4,550,739, \$320,892, and \$320,892, respectively, was 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. As of June 30, 2021, the outstanding balance due from the General Fund, Water Fund, and Sewer Fund are \$3,670,040, \$246,018, and \$246,017.

**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, 2021, the outstanding balance is \$254,157.

**Summary of Transfers In/Out**

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 330,000
	Water Enterprise Fund	60,000
	Sewer Enterprise Fund	60,000
Other Governmental Funds	General Fund	20,000
Internal Service Fund	Water Enterprise Fund	60,000
		<u>\$ 530,000</u>

The transfers to the General Fund from the Other Governmental Funds of \$330,000 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 \$20,000 to other governmental funds to fund various project costs. 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 2020/21 fiscal year:

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**4) CAPITAL ASSETS – Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in Progress	2,713,723	416,858	1,831,542	1,299,039
Total Capital Assets Not Depreciated	7,110,828	416,858	1,831,542	5,696,144
Capital Assets, Being Depreciated:				
Buildings	30,059,342	-	-	30,059,342
Improvements Other than Buildings	5,263,941	122,766	-	5,386,707
Machinery and Equipment	9,486,307	1,691,903	-	11,178,210
Infrastructure	55,127,652	4,228,221	-	59,355,873
Total Capital Assets Being Depreciated	99,937,242	6,042,890	-	105,980,132
Less Accumulated Depreciation:				
Buildings	(12,748,157)	(855,341)	-	(13,603,498)
Improvements Other than Buildings	(3,867,926)	(180,065)	-	(4,047,991)
Machinery and Equipment	(8,352,749)	(405,795)	-	(8,758,544)
Infrastructure	(38,672,737)	(1,281,502)	-	(39,954,239)
Total Accumulated Depreciation	(63,641,569)	(2,722,703)	-	(66,364,272)
Net Capital Assets Being Depreciated	36,295,673	3,320,187	-	39,615,860
Total Capital Assets	<u>\$ 43,406,501</u>	<u>\$ 3,737,045</u>	<u>\$ 1,831,542</u>	<u>\$ 45,312,004</u>
 <b>Business-type Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 981,168	\$ -	\$ -	\$ 981,168
Water Rights	624,659	-	-	624,659
Construction in Progress	2,519,051	28,293	2,326,682	220,662
Total Capital Assets Not Depreciated	4,124,878	28,293	2,326,682	1,826,489
Capital Assets, Being Depreciated:				
Buildings	5,749,295	-	-	5,749,295
Improvements Other than Buildings	1,676,392	-	-	1,676,392
Machinery and Equipment	8,262,083	308,028	-	8,570,111
Infrastructure	22,847,497	2,790,626	-	25,638,123
Total Capital Assets Being Depreciated	38,535,267	3,098,654	-	41,633,921
Less Accumulated Depreciation:				
Buildings	(3,651,429)	(103,569)	-	(3,754,998)
Improvements Other than Buildings	(114,992)	(82,359)	-	(197,351)
Machinery and Equipment	(6,867,571)	(170,542)	-	(7,038,113)
Infrastructure	(15,872,191)	(526,906)	-	(16,399,097)
Total Accumulated Depreciation	(26,506,183)	(883,376)	-	(27,389,559)
Net Capital Assets Being Depreciated	12,029,084	2,215,278	-	14,244,362
Total Capital Assets	<u>\$ 16,153,962</u>	<u>\$ 2,243,571</u>	<u>\$ 2,326,682</u>	<u>\$ 16,070,851</u>

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**4) CAPITAL ASSETS – Continued**

Depreciation expense was charged to functions/programs as follows:

Function/Program	Governmental Activities	Business-type Activities
General Government	\$ 8,713	\$ -
Public Safety	367,565	-
Public Works	2,060,814	-
Parks and Recreation	86,037	-
Community Development	199,574	-
Water	-	721,526
Sewer	-	159,220
Waste Disposal	-	2,630
Total Depreciation	<u>\$ 2,722,703</u>	<u>\$ 883,376</u>

**5) LOANS 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 \$244,195, when collected, are due back to the granting agency and, therefore, are reported as due to other agencies in the financial statements.

**6) LONG-TERM LIABILITIES**

The following is a summary of long-term liability transactions for the year ended June 30, 2021.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
2016 Installment Sale Agreement	\$ 2,470,000	\$ -	\$ 90,000	\$ 2,380,000	\$ 95,000
Premium	108,511	-	5,711	102,800	5,711
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	-	1,691,903	580,657	1,111,246	550,037
Claims Payable	2,987,895	266,037	-	3,253,932	725,313
Insurance Assessment Payable	567,399	-	81,057	486,342	81,057
Compensated Absences	1,591,879	839,138	975,054	1,455,963	480,910
Net Pension Liability	36,843,779	2,593,078	-	39,436,857	-
Net OPEB Liability	37,052,924	6,533,064	-	43,585,988	-
Total	<u>\$ 81,622,387</u>	<u>\$ 11,923,220</u>	<u>\$ 1,732,479</u>	<u>\$ 91,813,128</u>	<u>\$ 1,938,028</u>
<b>Business-type Activities:</b>					
Compensated Absences	\$ 237,867	\$ 125,389	\$ 145,698	\$ 217,558	\$ 71,860
Net Pension Liability	6,104,419	105,239	-	6,209,658	-
Net OPEB Liability	6,552,690	-	39,841	6,512,849	-
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	-	308,029	105,721	202,308	97,066
2020 Installment Sale Agreement	1,350,000	-	125,000	1,225,000	125,000
Total	<u>\$ 14,244,976</u>	<u>\$ 538,657</u>	<u>\$ 416,260</u>	<u>\$ 14,367,373</u>	<u>\$ 293,926</u>

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**6) LONG-TERM LIABILITIES – Continued**

The General Fund and Enterprise Funds have 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, 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
2022	\$ 95,000	\$ 85,037	\$ 180,037
2023	95,000	81,238	176,238
2024	100,000	77,437	177,437
2025	105,000	72,438	177,438
2026	110,000	67,187	177,187
2027 - 2031	625,000	261,738	886,738
2032 - 2037	745,000	152,618	897,618
2038 - 2039	505,000	33,312	538,312
Totals	<u>\$ 2,380,000</u>	<u>\$ 831,005</u>	<u>\$ 3,211,005</u>

**Direct Borrowing - Radio Equipment Purchase**

During the 2020-21 fiscal year, the City entered into a lease-purchase agreement with Motorola Solutions, Inc. for the purchase of certain radio equipment. The City has recorded the equipment and the related debt in both Governmental Activities and Business-type Activities (\$1,691,903 and \$308,029, respectively). The debt is secured by the radio equipment, and the initial principal payment of \$686,378 was made upon debt issuance. The remaining balance at June 30, 2021 is \$1,111,246 in Governmental Activities and \$202,308 in Business-type Activities. Principal and interest payments (at 2.99%) are to be made annually, on December 1, for the next two fiscal years, as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 647,103	\$ 39,275	\$ 686,378
2023	666,451	19,927	686,378
Totals	<u>\$ 1,313,554</u>	<u>\$ 59,202</u>	<u>\$ 1,372,756</u>

**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



**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**6) LONG-TERM LIABILITIES – Continued**

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 established 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 2019-2020, the levy was \$0.212129 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. The following represents the future debt service requirements on the Insurance Assessment Payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 81,057	\$ 85,037	\$ 166,094
2023	81,057	81,238	162,295
2024	81,057	77,437	158,494
2025	81,057	72,438	153,495
2026	81,057	67,187	148,244
2027	81,057	61,688	142,745
Totals	<u>\$ 486,342</u>	<u>\$ 445,025</u>	<u>\$ 931,367</u>

**2020 Installment Sale Agreement**

In February 2020, the City entered into an installment sale agreement in the amount of \$1,350,000 with JPMorgan Chase, to finance the acquisition of land to construct a water reservoir and related capital improvements.

Interest rates on the installment payments are 1.90%. The installment payments are payable from and secured by the City's pledge under the indenture of that portion of "Net Revenues" necessary to pay debt service on the debt and any parity obligations issued under the indenture. The installment payments, including principal and interest, are due on June 1 and December 1 of each year, commencing on June 1, 2020, and are to be made from Net Revenues, defined generally as gross revenues received from the City's water system, less maintenance and operation costs.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**6) LONG-TERM LIABILITIES – Continued**

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
2022	\$ 125,000	\$ 23,275	\$ 148,275
2023	130,000	20,900	150,900
2024	130,000	18,430	148,430
2025	135,000	15,960	150,960
2026	135,000	13,395	148,395
2027	140,000	10,830	150,830
2028	140,000	8,170	148,170
2029	145,000	5,510	150,510
2030	145,000	2,755	147,755
Totals	<u>\$ 1,225,000</u>	<u>\$ 119,225</u>	<u>\$ 1,344,225</u>

**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 \$143 per month for calendar year 2021. 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, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2016A Tax Allocation Bonds	\$ 485,000	\$ -	\$ 485,000	\$ -	\$ -
Discount on Bonds	(38,366)	-	(38,366)	-	-
Total	<u>\$ 446,634</u>	<u>\$ -</u>	<u>\$ 446,634</u>	<u>\$ -</u>	<u>\$ -</u>

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**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, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publicly 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, 2021, are summarized as follows:

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA
	Prior to November 12, 2005	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 60 single highest year	2% @ 55 36 month average	2% @ 62 36 month average
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	55	62
Monthly benefits, as a % of eligible compensation	2% to 3%	2%	2%
Required employee contribution rates	8%	7%	7.5%
Required employer contribution rates	16.500% + \$1,572,254	11.816% + \$42,619	7.847% + \$4,943

	Safety Tier I	Safety Tier II	Safety Tier III	Safety PEPRA
	Prior to January 6, 1994	Prior to September 8, 2012	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	3% @ 50 single highest year	3% @ 50 36 month average	3% @ 55 36 month average	2.7% @ 55 36 month average
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	55
Monthly benefits, as a % of eligible compensation	3%	3%	3%	2.7%
Required employee contribution rates	9%	9%	9%	13%
Required employer contribution rates	25.391% + \$1,231,139	22.437% + \$276,467	20.585% + \$2,489	13.044% + \$2,917

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**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 \$3,132,828 in fiscal year 2021.

The City's contributions to the Plan for the year ended June 30, 2021 were \$4,417,075.

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

As of June 30, 2021, the City reported a liability of \$45,646,515 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.41913%
Proportion - June 30, 2020	0.41953%
Change - Increase (Decrease)	0.00040%

For the year ended June 30, 2021, the City recognized pension expense of \$5,742,217. At June 30, 2021, 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	\$ 4,417,075	\$ -
Differences between actual and expected experience	2,941,415	-
Changes in assumptions	-	239,476
Change in employer's proportion	-	189,132
Differences between the employer's contributions and the employer's proportionate share of contributions	-	155,436
Net differences between projected and actual earnings on plan investments	1,175,445	-
Total	<u>\$ 8,533,935</u>	<u>\$ 584,044</u>

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

The \$4,417,075 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, 2022. 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,	
2022	\$ 411,696
2023	1,456,030
2024	1,090,765
2025	574,324
2026	-
Thereafter	-

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**Long-term Expected Rate of Return** The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

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

and long-term, the present value of benefits was calculated for each fund. 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 followed:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return 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.

(2) An expected inflation of 2.92% 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	\$ 63,481,258
Current Discount Rate	7.15%
Net Pension Liability	\$ 45,646,515
1% Increase	8.15%
Net Pension Liability	\$ 30,959,659

**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, 2021, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2021.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**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 \$143 per month for calendar year 2021 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, 2020 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	97
Inactive employees entitled to but not yet receiving benefits	9
Active employees	108
	<u>214</u>

**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, 2020 and was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age, Level Percent of Pay
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2019 CalPERS 1997-2015 Experience Study
Age at Retirement	52
Health Care Trend Rate	7.25% initial, 4.00% ultimate - Non-Medicare 6.30% initial, 4.00% ultimate - Medicare
Inflation Rate	2.75%
Salary Changes	3.00%
Discount Rate	2.45% - Fidelity GO AA - 20-year Index

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**8) OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Changes in the Total OPEB Liability**

	Total OPEB Liability (TOL)
Balance at June 30, 2019 (measurement date)	\$ 43,605,614
Changes in the year:	
Service cost	1,588,774
Interest on the total OPEB liability	1,397,186
Differences between expected and actual experience	-
Assumption Changes	4,619,043
Benefit payments, including refunds	(1,111,780)
Net changes	6,493,223
Balance at June 30, 2020 (measurement date)	\$ 50,098,837

**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 (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB liability (asset)	\$ 60,029,879	\$ 50,098,837	\$ 42,428,592

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

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 41,260,151	\$ 50,098,837	\$ 61,809,470

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** - For the year ended June 30, 2021, the City recognized OPEB expense of \$2,479,110. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 1,318,702	\$ -
Changes of Assumptions	5,342,618	1,756,206
Differences between actual and expected experience	-	3,181,008
Total	\$ 6,661,320	\$ 4,937,214



**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**8) OTHER POST-EMPLOYMENT BENEFITS – Continued**

The \$1,318,702 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2022. 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,		
2022	\$	(509,470)
2023		(428,039)
2024		312,057
2025		463,604
2026		567,252
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.

At June 30, 2021, the internal service fund had a deficit fund balance of \$775,234. The deficit fund balance is being addressed by increasing charges made to other City funds in future years.

**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, 2021, the amount of these liabilities was \$2,090,803. 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.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**9) SELF-INSURANCE PROGRAM - Continued**

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, 2021, the amount of these liabilities was \$1,163,129. This liability is the City's best estimate based on available information. Annual settlements during each of the last three fiscal years have not exceeded insurance coverage in any year.

**Changes in Self-Insurance Liability**

Changes in the reported claims liabilities resulted from the following:

	FY 2020-21	FY 2019-20	FY 2018-19
Beginning of Year	\$ 2,987,895	\$ 3,518,904	\$ 2,315,000
Claims and Changes in Estimates	1,694,576	636,415	2,214,443
Claim Payments	(1,428,539)	(1,167,424)	(1,010,539)
End of Year	<u>\$ 3,253,932</u>	<u>\$ 2,987,895</u>	<u>\$ 3,518,904</u>

**10) DEFICIT NET POSITION/FUND BALANCES**

The following deficits in non-major governmental funds at June 30, 2021 will be eliminated through the collection of revenues in the future:

	Deficit
Non-major Funds:	
Mall Maintenance Operations	30,830
Community Development Block Grant	2,181
Operating Grants	72,888

**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.

There were no significant outstanding construction commitments as of June 30, 2021.

**12) PRIOR PERIOD ADJUSTMENTS**

Beginning net position for Governmental Activities and beginning fund balance for the nonmajor governmental funds was reduced by \$360,000 for unearned revenue, previously reported as revenue. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, a restatement to reflect net position was made in the Custodial Funds of \$131,821.

**City of San Fernando**  
**Notes to Financial Statements**  
Year Ended June 30, 2021

**13) SUBSEQUENT EVENTS**

In August 2021, subsequent to the end of the fiscal year, the City issued \$36,525,000 in Taxable Pension Obligation Bonds. The bonds were issued to provide funding for contributions to the City's unfunded pension obligations with the California Public Employee's Retirement System (CalPERS).

In December 2021, the City entered into an agreement with a contractor for approximately \$11.2 Million for the construction of the San Fernando Regional Infiltration Project.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of San Fernando**  
**Required Supplementary Information**  
For the Year Ended June 30, 2021

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

	Measurement Period			
	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 1,588,774	\$ 1,398,168	\$ 1,380,011	\$ 1,601,768
Interest on total OPEB liability	1,397,186	1,630,542	1,552,449	1,364,732
Changes in assumptions	4,619,043	(2,513,954)	(425,186)	(4,804,507)
Changes in benefits	-	-	-	-
Benefit payments, including refunds	(1,111,780)	(1,107,138)	(1,074,819)	(1,064,148)
Net change in total OPEB liability	6,493,223	(592,382)	1,432,455	(2,902,155)
Total OPEB liability - beginning	43,605,614	44,197,996	42,765,541	45,667,696
Total OPEB liability - ending	<u>\$ 50,098,837</u>	<u>\$ 43,605,614</u>	<u>\$ 44,197,996</u>	<u>\$ 42,765,541</u>
Covered payroll	\$ 10,545,654	\$ 10,176,564	\$ 8,291,994	\$ 9,645,806
Total OPEB liability as a percentage of covered-employee payroll	475.07%	428.49%	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:**

The discount rate was changed from 3.56% to 3.62% for the June 30, 2018 measurement period.

The discount rate was changed from 3.62% to 3.13% for the June 30, 2019 measurement period.

The discount rate was changed from 3.13% to 2.45% for the June 30, 2020 measurement period.

**City of San Fernando**  
**Required Supplementary Information**  
For the Year Ended June 30, 2021

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

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2020	0.41953%	\$ 45,646,515	\$ 9,116,498	500.70%	65.60%
2019	0.41913%	42,948,198	8,514,403	504.42%	66.73%
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, 2021

**Schedule of Pension Plan Contributions**  
**Last 10 Years\***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 4,417,075	\$ (4,417,075)	\$ -	\$ 9,231,146	47.85%
2020	4,125,474	(4,125,474)	-	9,116,498	45.25%
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, 6/30/2017, 6/30/2018, and 6/30/2019

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Taxes	\$ 12,078,000	\$ 12,078,000	\$ 16,318,437	\$ 4,240,437
Licenses and Permits	292,000	292,000	326,352	34,352
Charges for Services	734,040	734,040	637,621	(96,419)
Fines and Forfeitures	512,800	512,800	498,845	(13,955)
Investment Earnings	496,640	496,640	580,890	84,250
Intergovernmental	2,610,048	2,610,048	2,791,223	181,175
Other	323,000	323,000	324,367	1,367
Total Revenues	17,046,528	17,046,528	21,477,735	4,431,207
<b>EXPENDITURES</b>				
Current:				
General Government:				
City Council	198,621	198,621	155,139	43,482
Treasurer	95,642	60,602	55,827	4,775
Administration	270,902	270,902	262,422	8,480
Personnel	238,934	238,934	244,966	(6,032)
City Attorney	184,332	215,009	212,124	2,885
City Clerk	208,320	208,718	175,405	33,313
Elections	55,000	62,500	47,301	15,199
Financial Management	437,566	441,567	456,565	(14,998)
Information Technology	287,692	287,692	228,142	59,550
Retirement and Nondepartmental	956,541	883,340	832,976	50,364
Public Safety:				
Police	8,519,788	8,526,428	8,436,831	89,597
Fire	2,900,000	2,900,000	2,819,881	80,119
Community Development	1,195,052	1,190,975	1,055,081	135,894
Public Works	1,201,719	1,183,765	1,177,423	6,342
Parks and Recreation	1,323,595	1,243,278	1,099,710	143,568
Capital Outlay	-	1,498,189	1,498,189	-
Debt Service	16,000	116,271	515,017	(398,746)
Total Expenditures	18,089,704	19,526,791	19,272,999	253,792
Excess (Deficiency) of Revenues over Expenditures	(1,043,176)	(2,480,263)	2,204,736	4,684,999
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	-	1,498,189	1,498,189
Transfers In	505,000	490,000	450,000	(40,000)
Transfers Out	(445,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	60,000	470,000	1,928,189	1,458,189
Net Change in Fund Balances	(983,176)	(2,010,263)	4,132,925	6,143,188
Fund Balance, Beginning of Year	3,626,544	3,626,544	3,626,544	-
Fund Balance, End of Year	\$ 2,643,368	\$ 1,616,281	\$ 7,759,469	\$ 6,143,188



**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Retirement Tax Fund**  
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Taxes	\$ 4,409,052	\$ 4,409,052	\$ 4,828,340	\$ 419,288
Investment Earnings	-	-	(11,731)	(11,731)
Other	-	-	110,504	110,504
Total Revenues	4,409,052	4,409,052	4,927,113	518,061
<b>EXPENDITURES</b>				
Current:				
General Government	3,752,260	3,752,260	3,353,073	399,187
Public Safety	1,160,564	1,160,564	1,141,947	18,617
Public Works	71,646	71,646	65,871	5,775
Parks and Recreation	97,957	97,957	85,226	12,731
Community Development	115,064	115,064	92,569	22,495
Total Expenditures	5,197,491	5,197,491	4,738,686	458,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	(788,439)	(788,439)	188,427	976,866
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	12,434	12,434	-	(12,434)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	12,434	12,434	-	(12,434)
Net Change in Fund Balances	(776,005)	(776,005)	188,427	964,432
Fund Balance, Beginning of Year	11,555,395	11,555,395	11,555,395	-
Fund Balance, End of Year	\$ 10,779,390	\$ 10,779,390	\$ 11,743,822	\$ 964,432

**City of San Fernando**  
**Notes to Required Supplementary Information**  
Year Ended June 30, 2021

**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 fiscal year 2020-21, approximately \$1.4 million in supplemental budget appropriations in the General Fund were approved by the City Council.
- 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**

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**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Capital Grants Fund**  
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 13,358,779	\$ 4,788,338	\$ (8,570,441)
Other	-	-	-
 Total Revenues	 13,358,779	 4,788,338	 (8,570,441)
 <b>EXPENDITURES</b>			
Current:			
Public Safety	-	647	(647)
Public Works	300,000	29,198	270,802
Parks and Recreation	125,625	48,209	77,416
Capital Outlay	14,624,440	1,618,913	13,005,527
 Total Expenditures	 15,050,065	 1,696,967	 13,353,098
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (1,691,286)	 3,091,371	 4,782,657
 Fund Balance, Beginning of Year	 (483,916)	 (483,916)	 -
 Fund Balance, End of Year	 \$ (2,175,202)	 \$ 2,607,455	 \$ 4,782,657

**City of San Fernando**  
**Other Governmental Funds**  
June 30, 2021

**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:

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

**Mall Maintenance** - Accounts for the Downtown Area Parking, and Mall Maintenance and Assessment District. The funds received are used for maintenance and upkeep, including capital improvements, in the downtown area.

**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.

**City of San Fernando**  
**Other Governmental Funds – Continued**  
June 30, 2021

**SPECIAL REVENUE FUNDS - Continued**

**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.

**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.

**Measure W** - Accounts for revenues from the County-wide parcel tax that provides local, dedicated funding for rainwater and urban runoff management to increase the region's local water supply, improve water quality, and protect public health.

**Housing** - Accounts for receipts from repayments of low-income housing loans and other housing related revenue. The proceeds are restricted for low income housing purposes.

**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, 2021

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety
<b>ASSETS</b>					
Cash and Investments	\$ 1,143,932	\$ (28,753)	\$ 186,666	\$ 21,995	\$ 4,480
Restricted Cash and Investments	424,839	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	3,981	-	-	46
Grants	-	-	-	-	-
Loans/Due from Successor Agency	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,568,771</b>	<b>\$ (24,772)</b>	<b>\$ 186,666</b>	<b>\$ 21,995</b>	<b>\$ 4,526</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 39,950	\$ 5,304	\$ 102,626	\$ -	\$ -
Accrued Liabilities	203	754	278	-	43
Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
<b>Total Liabilities</b>	<b>40,153</b>	<b>6,058</b>	<b>102,904</b>	<b>-</b>	<b>43</b>
<b>DEFERRED INFLOWS</b>					
Unavailable Revenues - Grants	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted for:					
Transportation	1,528,618	-	83,762	21,995	4,483
Housing	-	-	-	-	-
Air Pollution	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	(30,830)	-	-	-
<b>Total Fund Balances</b>	<b>1,528,618</b>	<b>(30,830)</b>	<b>83,762</b>	<b>21,995</b>	<b>4,483</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 1,568,771</b>	<b>\$ (24,772)</b>	<b>\$ 186,666</b>	<b>\$ 21,995</b>	<b>\$ 4,526</b>



Parking Maintenance and Operations	Local Transportation	Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax
\$ 361,214	\$ (30,000)	\$ 45,295	\$ 160	\$ 402,952	\$ 10,009	\$ 19,868
-	-	-	-	-	-	-
729	-	-	-	11,308	-	-
-	-	910	-	-	-	-
-	30,000	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 361,943</u>	<u>\$ 0</u>	<u>\$ 46,205</u>	<u>\$ 160</u>	<u>\$ 414,260</u>	<u>\$ 10,009</u>	<u>\$ 19,868</u>
\$ 15,804	\$ -	\$ 5,736	\$ -	\$ 35,345	\$ -	\$ 14,554
2,263	-	12,714	152	1,272	-	-
1,067	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,134</u>	<u>-</u>	<u>18,450</u>	<u>152</u>	<u>36,617</u>	<u>-</u>	<u>14,554</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	27,755	8	-	-	-
-	-	-	-	377,643	10,009	-
-	-	-	-	-	-	-
342,809	-	-	-	-	-	-
-	-	-	-	-	-	5,314
<u>342,809</u>	<u>-</u>	<u>27,755</u>	<u>8</u>	<u>377,643</u>	<u>10,009</u>	<u>5,314</u>
<u>\$ 361,943</u>	<u>\$ -</u>	<u>\$ 46,205</u>	<u>\$ 160</u>	<u>\$ 414,260</u>	<u>\$ 10,009</u>	<u>\$ 19,868</u>

Continued

**City of San Fernando**  
**Combining Balance Sheet**  
**Other Governmental Funds - Continued**  
June 30, 2021

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management	Proposition C
<b>ASSETS</b>					
Cash and Investments	\$ 8,903	\$ 115,094	\$ 513,483	\$ 14,178	\$ 627,481
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes	-	8,369	-	-	-
Accounts	-	-	-	-	-
Grants	-	-	-	-	-
Loans/Due from Successor Agency	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 8,903</b>	<b>\$ 123,463</b>	<b>\$ 513,483</b>	<b>\$ 14,178</b>	<b>\$ 627,481</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 8,972
Accrued Liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,972</b>
<b>DEFERRED INFLOWS</b>					
Unavailable Revenues - Grants	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted for:					
Transportation	-	-	513,483	14,178	618,509
Housing	-	-	-	-	-
Air Pollution	-	123,463	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	8,903	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>8,903</b>	<b>123,463</b>	<b>513,483</b>	<b>14,178</b>	<b>618,509</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 8,903</b>	<b>\$ 123,463</b>	<b>\$ 513,483</b>	<b>\$ 14,178</b>	<b>\$ 627,481</b>

Community Development Block Grant	Community Development Surcharge	Operating Grants	STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab
\$ (16,855)	\$ 100,311	\$ 503,071	\$ 5,556	\$ 164,587	\$ 1,077,089	\$ 1,080,479
-	-	-	-	-	-	-
-	-	-	-	-	-	85,156
-	295	-	-	61,285	-	-
15,838	-	118,238	-	-	-	-
244,195	-	-	-	-	-	-
<u>\$ 243,178</u>	<u>\$ 100,606</u>	<u>\$ 621,309</u>	<u>\$ 5,556</u>	<u>\$ 225,872</u>	<u>\$ 1,077,089</u>	<u>\$ 1,165,635</u>
\$ 1,164	\$ 4,191	\$ 126,037	\$ -	\$ -	\$ 910	\$ -
-	3,104	1,353	-	-	-	-
-	-	10,435	-	-	-	-
-	-	-	-	-	-	-
-	-	553,604	-	-	-	-
244,195	-	-	-	-	-	-
<u>245,359</u>	<u>7,295</u>	<u>691,429</u>	<u>-</u>	<u>-</u>	<u>910</u>	<u>-</u>
-	-	2,768	-	61,285	-	-
-	-	-	5,556	-	1,076,179	1,165,635
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	164,587	-	-
-	93,311	-	-	-	-	-
-	-	-	-	-	-	-
(2,181)	-	(72,888)	-	-	-	-
<u>(2,181)</u>	<u>93,311</u>	<u>(72,888)</u>	<u>5,556</u>	<u>164,587</u>	<u>1,076,179</u>	<u>1,165,635</u>
<u>\$ 243,178</u>	<u>\$ 100,606</u>	<u>\$ 621,309</u>	<u>\$ 5,556</u>	<u>\$ 225,872</u>	<u>\$ 1,077,089</u>	<u>\$ 1,165,635</u>

Continued

**City of San Fernando**  
**Combining Balance Sheet**  
**Other Governmental Funds - Continued**  
June 30, 2021

	Measure W	Housing	Capital Outlay	Total
<b>ASSETS</b>				
Cash and Investments	\$ 246,515	\$ 1,905,158	\$ 68,838	\$ 8,551,706
Restricted Cash and Investments	-	-	-	424,839
Receivables:				
Taxes	-	-	-	105,562
Accounts	-	-	-	66,517
Grants	-	-	-	164,076
Loans/Due from Successor Agency	-	1,534,507	-	1,778,702
Total Assets	<u>\$ 246,515</u>	<u>\$ 3,439,665</u>	<u>\$ 68,838</u>	<u>\$ 11,091,402</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 28,964	\$ -	\$ 8,448	\$ 398,005
Accrued Liabilities	-	121	-	22,257
Deposits	-	-	-	11,502
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	553,604
Due to Other Agencies	-	-	-	244,195
Total Liabilities	<u>28,964</u>	<u>121</u>	<u>8,448</u>	<u>1,229,563</u>
<b>DEFERRED INFLOWS</b>				
Unavailable Revenues - Grants	-	-	-	64,053
<b>FUND BALANCES</b>				
Restricted for:				
Transportation	217,551	-	-	5,249,949
Housing	-	3,439,544	-	3,439,544
Air Pollution	-	-	-	123,463
Parks and Recreation	-	-	-	27,763
Public Safety	-	-	-	561,142
Community Development	-	-	60,390	153,701
Parking	-	-	-	342,809
Unassigned	-	-	-	(100,585)
Total Fund Balances	<u>217,551</u>	<u>3,439,544</u>	<u>60,390</u>	<u>9,797,786</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 246,515</u>	<u>\$ 3,439,665</u>	<u>\$ 68,838</u>	<u>\$ 11,091,402</u>

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**City of San Fernando**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
Year Ended June 30, 2021

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety
<b>REVENUES</b>					
Taxes	\$ 312,323	\$ 29,024	\$ 501,353	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	60	-	-
Fines and Forfeitures	-	-	-	-	936
Investment Earnings	(4,940)	-	1,120	(4)	-
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	307,383	29,024	502,533	(4)	936
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	1,008	41,733	490,588	-	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	935,279	-	-	-	-
Debt Service:					
Principal	90,000	-	-	-	-
Interest and Fiscal Charges	88,638	-	-	-	-
Total Expenditures	1,114,925	41,733	490,588	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(807,542)	(12,709)	11,945	(4)	936
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(807,542)	(12,709)	11,945	(4)	936
Fund Balances, Beginning (Restated)	2,336,160	(18,121)	71,817	21,999	3,547
Fund Balances, End of Year	\$ 1,528,618	\$ (30,830)	\$ 83,762	\$ 21,995	\$ 4,483

Parking Maintenance and Operations	Local Transportation	Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax
\$ 21,979	\$ -	\$ -	\$ -	\$ 341,153	\$ -	\$ -
-	-	-	-	-	-	-
90,596	-	40,094	-	-	-	-
-	-	-	-	-	7,660	-
21,462	-	-	-	-	(373)	-
-	30,000	-	-	-	-	553,159
-	-	-	-	-	-	-
134,037	30,000	40,094	-	341,153	7,287	553,159
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
166,073	-	-	-	215,621	-	279,885
-	-	36,346	-	-	-	-
-	30,000	-	-	-	6,392	2,990
-	-	-	-	-	-	-
-	-	-	-	-	-	-
166,073	30,000	36,346	-	215,621	6,392	282,875
(32,036)	-	3,748	-	125,532	895	270,284
-	-	-	-	20,000	-	-
-	-	-	-	-	-	(205,000)
-	-	-	-	20,000	-	(205,000)
(32,036)	-	3,748	-	145,532	895	65,284
374,845	-	24,007	8	232,111	9,114	(59,970)
\$ 342,809	\$ -	\$ 27,755	\$ 8	\$ 377,643	\$ 10,009	\$ 5,314

Continued

**City of San Fernando**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds - Continued**  
Year Ended June 30, 2021

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management	Proposition C
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 415,854
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	(2)	350	247	(3)	(2,762)
Intergovernmental	-	40,713	-	-	-
Other	-	-	57,348	-	-
<b>Total Revenues</b>	<b>(2)</b>	<b>41,063</b>	<b>57,595</b>	<b>(3)</b>	<b>413,092</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	203,096
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	331,111
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>534,207</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)	41,063	57,595	(3)	(121,115)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(2)</b>	<b>41,063</b>	<b>57,595</b>	<b>(3)</b>	<b>(121,115)</b>
Fund Balances, Beginning (Restated)	8,905	82,400	455,888	14,181	739,624
Fund Balances, End of Year	\$ 8,903	\$ 123,463	\$ 513,483	\$ 14,178	\$ 618,509



Community Development Block Grant	Community Development Surcharge	Operating Grants	STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 353,873	\$ -
-	-	-	-	-	-	-
-	36,333	-	-	-	-	-
-	-	-	-	-	-	-
-	467	-	(1)	498	3,817	5,222
148,472	20,374	728,040	-	156,727	-	467,301
-	-	-	-	-	-	-
<u>148,472</u>	<u>57,174</u>	<u>728,040</u>	<u>(1)</u>	<u>157,225</u>	<u>357,690</u>	<u>472,523</u>
-	-	64,177	-	-	-	-
-	-	63,250	-	-	-	-
108,818	-	135,239	-	-	-	-
20,264	24,961	102,437	-	-	-	-
19,035	-	264,087	-	-	-	-
-	-	-	-	-	13,261	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>148,117</u>	<u>24,961</u>	<u>629,190</u>	<u>-</u>	<u>-</u>	<u>13,261</u>	<u>-</u>
<u>355</u>	<u>32,213</u>	<u>98,850</u>	<u>(1)</u>	<u>157,225</u>	<u>344,429</u>	<u>472,523</u>
-	-	-	-	-	-	-
-	-	-	-	(125,000)	-	-
-	-	-	-	(125,000)	-	-
355	32,213	98,850	(1)	32,225	344,429	472,523
(2,536)	61,098	(171,738)	5,557	132,362	731,750	693,112
<u>\$ (2,181)</u>	<u>\$ 93,311</u>	<u>\$ (72,888)</u>	<u>\$ 5,556</u>	<u>\$ 164,587</u>	<u>\$ 1,076,179</u>	<u>\$ 1,165,635</u>

Continued

**City of San Fernando**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds - Continued**  
Year Ended June 30, 2021

	Measure W	Housing	Capital Outlay	Total
<b>REVENUES</b>				
Taxes	\$ 267,325	\$ -	\$ -	\$ 2,242,884
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	167,083
Fines and Forfeitures	-	-	-	8,596
Investment Earnings	2,613	55,636	-	83,347
Intergovernmental	-	-	-	2,144,786
Other	-	-	-	57,348
<b>Total Revenues</b>	<b>269,938</b>	<b>55,636</b>	<b>-</b>	<b>4,704,044</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	64,177
Public Safety	-	-	-	63,250
Community Development	-	4,185	-	248,242
Public Works	52,387	-	-	1,598,053
Parks and Recreation	-	-	-	319,468
Capital Outlay	-	-	8,448	1,327,481
Debt Service:				
Principal	-	-	-	90,000
Interest and Fiscal Charges	-	-	-	88,638
<b>Total Expenditures</b>	<b>52,387</b>	<b>4,185</b>	<b>8,448</b>	<b>3,799,309</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	217,551	51,451	(8,448)	904,735
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	20,000
Transfers Out	-	-	-	(330,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(310,000)</b>
<b>Net Change in Fund Balances</b>	<b>217,551</b>	<b>51,451</b>	<b>(8,448)</b>	<b>594,735</b>
Fund Balances, Beginning (Restated)	-	3,388,093	68,838	9,203,051
<b>Fund Balances, End of Year</b>	<b>\$ 217,551</b>	<b>\$ 3,439,544</b>	<b>\$ 60,390</b>	<b>\$ 9,797,786</b>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Measure R Fund**  
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 326,773	\$ 312,323	\$ (14,450)
Investment Earnings	-	(4,940)	(4,940)
	<u>326,773</u>	<u>307,383</u>	<u>(19,390)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	1,008	(1,008)
Capital Outlay	1,529,802	935,279	594,523
Debt Service:			
Principal	90,000	90,000	-
Interest and Fiscal Charges	88,638	88,638	-
	<u>1,708,440</u>	<u>1,114,925</u>	<u>593,515</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,381,667)	(807,542)	574,125
Fund Balance, Beginning of Year	<u>2,336,160</u>	<u>2,336,160</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 954,493</u></u>	<u><u>\$ 1,528,618</u></u>	<u><u>\$ 574,125</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Mall Maintenance Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 85,000	\$ 29,024	\$ (55,976)
Total Revenues	<u>85,000</u>	<u>29,024</u>	<u>(55,976)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	<u>45,129</u>	<u>41,733</u>	<u>3,396</u>
Total Expenditures	<u>45,129</u>	<u>41,733</u>	<u>3,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,871	(12,709)	(52,580)
Fund Balance, Beginning of Year	<u>(18,121)</u>	<u>(18,121)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 21,750</u></u>	<u><u>\$ (30,830)</u></u>	<u><u>\$ (52,580)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Proposition A Local Transit Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 525,215	\$ 501,353	\$ (23,862)
Charges for Services	-	60	60
Investment Earnings	-	1,120	1,120
	<u>525,215</u>	<u>502,533</u>	<u>(22,682)</u>
Total Revenues	<u>525,215</u>	<u>502,533</u>	<u>(22,682)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	490,935	490,588	347
	<u>490,935</u>	<u>490,588</u>	<u>347</u>
Total Expenditures	<u>490,935</u>	<u>490,588</u>	<u>347</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,280	11,945	(22,335)
Fund Balance, Beginning of Year	<u>71,817</u>	<u>71,817</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 106,097</u></u>	<u><u>\$ 83,762</u></u>	<u><u>\$ (22,335)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Proposition C Discretionary Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ (4)	\$ (4)
Intergovernmental	<u>775,376</u>	<u>-</u>	<u>(775,376)</u>
Total Revenues	<u>775,376</u>	<u>(4)</u>	<u>(775,380)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>775,376</u>	<u>-</u>	<u>775,376</u>
Total Expenditures	<u>775,376</u>	<u>-</u>	<u>775,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4)	(4)
Fund Balance, Beginning of Year	<u>21,999</u>	<u>21,999</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 21,999</u></u>	<u><u>\$ 21,995</u></u>	<u><u>\$ (4)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Traffic Safety Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Fines and Forfeitures	\$ 10,000	\$ 936	\$ (9,064)
Total Revenues	<u>10,000</u>	<u>936</u>	<u>(9,064)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	936	(9,064)
Fund Balance, Beginning of Year	<u>3,547</u>	<u>3,547</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 13,547</u></u>	<u><u>\$ 4,483</u></u>	<u><u>\$ (9,064)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Parking Maintenance and Operations Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 50,000	\$ 21,979	\$ (28,021)
Charges for Services	132,325	90,596	(41,729)
Investment Earnings	<u>29,735</u>	<u>21,462</u>	<u>(8,273)</u>
Total Revenues	<u>212,060</u>	<u>134,037</u>	<u>(78,023)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	209,420	166,073	43,347
Capital Outlay	<u>86,036</u>	<u>-</u>	<u>86,036</u>
Total Expenditures	<u>295,456</u>	<u>166,073</u>	<u>129,383</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(83,396)	(32,036)	51,360
Fund Balance, Beginning of Year	<u>374,845</u>	<u>374,845</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 291,449</u></u>	<u><u>\$ 342,809</u></u>	<u><u>\$ 51,360</u></u>



**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Transportation Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 18,911	\$ 30,000	\$ 11,089
Total Revenues	<u>18,911</u>	<u>30,000</u>	<u>11,089</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	<u>48,912</u>	<u>30,000</u>	<u>18,912</u>
Total Expenditures	<u>48,912</u>	<u>30,000</u>	<u>18,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,001)	-	30,001
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (30,001)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,001</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Recreation Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Charges for Services	\$ 181,154	\$ 40,094	\$ (141,060)
Total Revenues	<u>181,154</u>	<u>40,094</u>	<u>(141,060)</u>
<b>EXPENDITURES</b>			
Current:			
Parks and Recreation	<u>196,000</u>	<u>36,346</u>	<u>159,654</u>
Total Expenditures	<u>196,000</u>	<u>36,346</u>	<u>159,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,846)	3,748	18,594
Fund Balance, Beginning of Year	<u>24,007</u>	<u>24,007</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 9,161</u></u>	<u><u>\$ 27,755</u></u>	<u><u>\$ 18,594</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Quimby Act Fees Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Parks and Recreation	-	-	-
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	-
Fund Balance, Beginning of Year	<u>8</u>	<u>8</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 8</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ -</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Street Lighting Fund**  
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 344,460	\$ 341,153	\$ (3,307)
Total Revenues	344,460	341,153	(3,307)
<b>EXPENDITURES</b>			
Current:			
Public Works	304,647	215,621	89,026
Total Expenditures	304,647	215,621	89,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,813	125,532	85,719
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	20,000	20,000	-
Total Other Financing Sources (Uses)	20,000	20,000	-
Net Change in Fund Balance	59,813	145,532	85,719
Fund Balance, Beginning of Year	232,111	232,111	-
Fund Balance, End of Year	\$ 291,924	\$ 377,643	\$ 85,719

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - State Asset Forfeiture Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Fines and Forfeitures	\$ -	\$ 7,660	\$ 7,660
Investment Earnings	-	(373)	(373)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>7,287</u>	<u>7,287</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>6,392</u>	<u>6,392</u>	<u>-</u>
	<u>6,392</u>	<u>6,392</u>	<u>-</u>
Total Expenditures	<u>6,392</u>	<u>6,392</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,392)	895	7,287
Fund Balance, Beginning of Year	<u>9,114</u>	<u>9,114</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,722</u></u>	<u><u>\$ 10,009</u></u>	<u><u>\$ 7,287</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - State Gas Tax Fund**  
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 582,022	\$ 553,159	\$ (28,863)
Total Revenues	<u>582,022</u>	<u>553,159</u>	<u>(28,863)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	276,885	279,885	(3,000)
Capital Outlay	<u>67,561</u>	<u>2,990</u>	<u>64,571</u>
Total Expenditures	<u>344,446</u>	<u>282,875</u>	<u>61,571</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>237,576</u>	<u>270,284</u>	<u>32,708</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>(245,000)</u>	<u>(205,000)</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(245,000)</u>	<u>(205,000)</u>	<u>40,000</u>
Net Change in Fund Balances	(7,424)	65,284	72,708
Fund Balance, Beginning of Year	<u>(59,970)</u>	<u>(59,970)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (67,394)</u></u>	<u><u>\$ 5,314</u></u>	<u><u>\$ 72,708</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Federal Asset Forfeiture Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	-	(2)	(2)
	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Total Revenues	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<b>EXPENDITURES</b>			
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2)	(2)
Fund Balance, Beginning of Year	<u>8,905</u>	<u>8,905</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 8,905</u></u>	<u><u>\$ 8,903</u></u>	<u><u>\$ (2)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - AQMD Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 350	\$ 350
Intergovernmental	<u>30,000</u>	<u>40,713</u>	<u>10,713</u>
Total Revenues	<u>30,000</u>	<u>41,063</u>	<u>11,063</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	41,063	11,063
Fund Balance, Beginning of Year	<u>82,400</u>	<u>82,400</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 112,400</u></u>	<u><u>\$ 123,463</u></u>	<u><u>\$ 11,063</u></u>



**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Cash-in-Lieu of Parking Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 247	\$ 247
Other	-	57,348	57,348
	<u>-</u>	<u>57,348</u>	<u>57,348</u>
Total Revenues	<u>-</u>	<u>57,595</u>	<u>57,595</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	57,595	57,595
Fund Balance, Beginning of Year	<u>455,888</u>	<u>455,888</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 455,888</u></u>	<u><u>\$ 513,483</u></u>	<u><u>\$ 57,595</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Pavement Management Fund**  
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ (3)	\$ (3)
Total Revenues	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3)	(3)
Fund Balance, Beginning of Year	<u>14,181</u>	<u>14,181</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 14,181</u></u>	<u><u>\$ 14,178</u></u>	<u><u>\$ (3)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Proposition C Fund**  
Year Ended June 30, 2021

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 435,652	\$ 415,854	\$ (19,798)
Investment Earnings	-	(2,762)	(2,762)
Total Revenues	<u>435,652</u>	<u>413,092</u>	<u>(22,560)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	249,637	203,096	46,541
Capital Outlay	<u>331,111</u>	<u>331,111</u>	<u>-</u>
Total Expenditures	<u>580,748</u>	<u>534,207</u>	<u>46,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(145,096)	(121,115)	23,981
Fund Balance, Beginning of Year	<u>739,624</u>	<u>739,624</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 594,528</u></u>	<u><u>\$ 618,509</u></u>	<u><u>\$ 23,981</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Block Grant Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 357,522	\$ 148,472	\$ (209,050)
Total Revenues	<u>357,522</u>	<u>148,472</u>	<u>(209,050)</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	109,173	108,818	355
Public Works	12,500	20,264	(7,764)
Parks and Recreation	27,200	19,035	8,165
Capital Outlay	<u>207,473</u>	<u>-</u>	<u>207,473</u>
Total Expenditures	<u>356,346</u>	<u>148,117</u>	<u>208,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,176	355	(821)
Fund Balance, Beginning of Year	<u>(2,536)</u>	<u>(2,536)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (1,360)</u></u>	<u><u>\$ (2,181)</u></u>	<u><u>\$ (821)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Community Development Surcharge Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Charges for Services	\$ 25,000	\$ 36,333	\$ 11,333
Investment Earnings	-	467	467
Intergovernmental	<u>6,000</u>	<u>20,374</u>	<u>14,374</u>
Total Revenues	<u>31,000</u>	<u>57,174</u>	<u>26,174</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
Public Works	<u>31,000</u>	<u>24,961</u>	<u>6,039</u>
Total Expenditures	<u>31,000</u>	<u>24,961</u>	<u>6,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	32,213	32,213
Fund Balance, Beginning of Year	<u>61,098</u>	<u>61,098</u>	-
Fund Balance, End of Year	<u><u>\$ 61,098</u></u>	<u><u>\$ 93,311</u></u>	<u><u>\$ 32,213</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Operating Grants Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	1,076,593	728,040	(348,553)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,076,593</u>	<u>728,040</u>	<u>(348,553)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	56,110	64,177	(8,067)
Public Safety	153,639	63,250	90,389
Community Development	322,224	135,239	186,985
Public Works	123,965	102,437	21,528
Parks and Recreation	<u>947,942</u>	<u>264,087</u>	<u>683,855</u>
Total Expenditures	<u>1,603,880</u>	<u>629,190</u>	<u>974,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(527,287)	98,850	626,137
Fund Balance, Beginning of Year	<u>(171,738)</u>	<u>(171,738)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (699,025)</u>	<u>\$ (72,888)</u>	<u>\$ 626,137</u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - STP Local Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ (1)	\$ (1)
Total Revenues	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1)	(1)
Fund Balance, Beginning of Year	<u>5,557</u>	<u>5,557</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 5,557</u></u>	<u><u>\$ 5,556</u></u>	<u><u>\$ (1)</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - SLESF Local Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 498	\$ 498
Intergovernmental	<u>125,000</u>	<u>156,727</u>	<u>31,727</u>
Total Revenues	<u>125,000</u>	<u>157,225</u>	<u>32,225</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>125,000</u>	<u>157,225</u>	<u>32,225</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Net Change in Fund Balances	-	32,225	32,225
Fund Balance, Beginning of Year	<u>132,362</u>	<u>132,362</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 132,362</u></u>	<u><u>\$ 164,587</u></u>	<u><u>\$ 32,225</u></u>



**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure M Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 370,304	\$ 353,873	\$ (16,431)
Investment Earnings	<u>-</u>	<u>3,817</u>	<u>3,817</u>
Total Revenues	<u>370,304</u>	<u>357,690</u>	<u>(12,614)</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>704,222</u>	<u>13,261</u>	<u>690,961</u>
Total Expenditures	<u>704,222</u>	<u>13,261</u>	<u>690,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(333,918)	344,429	678,347
Fund Balance, Beginning of Year	<u>731,750</u>	<u>731,750</u>	
Fund Balance, End of Year	<u><u>\$ 397,832</u></u>	<u><u>\$ 1,076,179</u></u>	<u><u>\$ 678,347</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Road Maintenance & Rehab Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 5,222	\$ 5,222
Intergovernmental	<u>470,622</u>	<u>467,301</u>	<u>(3,321)</u>
Total Revenues	<u>470,622</u>	<u>472,523</u>	<u>1,901</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>606,009</u>	<u>-</u>	<u>606,009</u>
Total Expenditures	<u>606,009</u>	<u>-</u>	<u>606,009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,387)	472,523	607,910
Fund Balance, Beginning of Year	<u>693,112</u>	<u>693,112</u>	
Fund Balance, End of Year	<u><u>\$ 557,725</u></u>	<u><u>\$ 1,165,635</u></u>	<u><u>\$ 607,910</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Measure W Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment Earnings	\$ -	\$ 2,613	\$ 2,613
Intergovernmental	<u>280,000</u>	<u>267,325</u>	<u>(12,675)</u>
Total Revenues	<u>280,000</u>	<u>269,938</u>	<u>(10,062)</u>
<b>EXPENDITURES</b>			
Current:			
Public Works	<u>280,000</u>	<u>52,387</u>	<u>227,613</u>
Total Expenditures	<u>280,000</u>	<u>52,387</u>	<u>227,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	217,551	217,551
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ 217,551</u></u>	<u><u>\$ 217,551</u></u>

**City of San Fernando**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Outlay Fund**  
Year Ended June 30, 2021

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Capital Outlay	19,086	8,448	10,638
Total Expenditures	<u>19,086</u>	<u>8,448</u>	<u>10,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,086)</u>	<u>(8,448)</u>	<u>10,638</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(19,086)	(8,448)	10,638
Fund Balance, Beginning of Year	<u>68,838</u>	<u>68,838</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 49,752</u></u>	<u><u>\$ 60,390</u></u>	<u><u>\$ 10,638</u></u>

## **NONMAJOR ENTERPRISE FUNDS**

**City of San Fernando**  
**Nonmajor Enterprise Funds**  
June 30, 2021

**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, 2021

	Compressed Natural Gas	Waste Disposal	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 206,363	\$ 52,941	\$ 259,304
Accounts Receivable	-	-	-
Total Current Assets	<u>206,363</u>	<u>52,941</u>	<u>259,304</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	-	53,657	53,657
Accumulated Depreciation	-	(48,519)	(48,519)
Total Noncurrent Assets	<u>-</u>	<u>5,138</u>	<u>5,138</u>
Total Assets	<u>206,363</u>	<u>58,079</u>	<u>264,442</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	22,585	6,416	29,001
Accrued Liabilities	2	-	2
Total Current Liabilities	<u>22,587</u>	<u>6,416</u>	<u>29,003</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	-	5,138	5,138
Unrestricted	183,776	46,525	230,301
Total Net Position	<u>\$ 183,776</u>	<u>\$ 51,663</u>	<u>\$ 235,439</u>

**City of San Fernando**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
Year Ended June 30, 2021

	Compressed Natural Gas	Waste Disposal	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 135,162	\$ -	\$ 135,162
Other	5,748	114	5,862
	<u>140,910</u>	<u>114</u>	<u>141,024</u>
Total Operating Revenues			
<b>OPERATING EXPENSES</b>			
Administration and General	-	2,642	2,642
Maintenance and Operations	95,615	689	96,304
Depreciation	-	2,630	2,630
	<u>95,615</u>	<u>5,961</u>	<u>101,576</u>
Total Operating Expenses			
Operating Income (Loss)	<u>45,295</u>	<u>(5,847)</u>	<u>39,448</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	765	1	766
	<u>765</u>	<u>1</u>	<u>766</u>
Total Nonoperating Revenues (Expenses)			
Income (Loss) Before Transfers	46,060	(5,846)	40,214
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	46,060	(5,846)	40,214
Net Position, Beginning of Year	<u>137,716</u>	<u>57,509</u>	<u>195,225</u>
Net Position, End of Year	<u><u>\$ 183,776</u></u>	<u><u>\$ 51,663</u></u>	<u><u>\$ 235,439</u></u>



**City of San Fernando**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
Year Ended June 30, 2021

	Compressed Natural Gas	Waste Disposal	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 136,713	\$ -	\$ 136,713
Payments to Suppliers and Contractors	(82,714)	3,085	(79,629)
Payments to Employees	-	-	-
Other Operating Income	5,748	2,756	8,504
Net Cash from Operating Activities	59,747	5,841	65,588
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	765	1	766
Net Increase (Decrease) in Cash	60,512	5,842	66,354
Cash and Cash Equivalents - Beginning of Year	145,851	47,099	192,950
Cash and Cash Equivalents - End of Year	<u>\$ 206,363</u>	<u>\$ 52,941</u>	<u>\$ 259,304</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>			
Operating Income (Loss)	\$ 45,295	\$ (5,847)	\$ 39,448
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	2,630	2,630
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	1,551	2,642	4,193
Increase (Decrease) in Accounts Payable	12,901	6,416	19,317
Net Cash Provided by Operating Activities	<u>\$ 59,747</u>	<u>\$ 5,841</u>	<u>\$ 65,588</u>

## **INTERNAL SERVICE FUNDS**

**City of San Fernando**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
June 30, 2021

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 1,169,176	\$ 335,905	\$ 1,491,308	\$ 2,996,389
Accounts Receivable	-	51	37,430	37,481
Inventory	40,526	-	-	40,526
Prepaid Items	-	-	-	-
Due From Other Funds	-	-	-	-
Total Current Assets	<u>1,209,702</u>	<u>335,956</u>	<u>1,528,738</u>	<u>3,074,396</u>
Noncurrent Assets:				
Capital Assets - Equipment	-	193,714	-	193,714
Total Noncurrent Assets	<u>-</u>	<u>193,714</u>	<u>-</u>	<u>193,714</u>
Total Assets	<u>1,209,702</u>	<u>529,670</u>	<u>1,528,738</u>	<u>3,268,110</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	28,115	114,979	-	143,094
Accrued Liabilities	6,461	26,284	-	32,745
Insurance Assessment Payable - Current	-	-	81,057	81,057
Lease-Purchase Agreement - Current	-	64,710	-	64,710
Claims Payable - Current	-	-	725,313	725,313
Total Current Liabilities	<u>34,576</u>	<u>205,973</u>	<u>806,370</u>	<u>1,046,919</u>
Noncurrent Liabilities:				
Insurance Assessment Payable	-	-	405,285	405,285
Lease-Purchase Agreement	-	62,521	-	62,521
Claims Payable	-	-	2,528,619	2,528,619
Total Noncurrent Liabilities	<u>-</u>	<u>62,521</u>	<u>2,933,904</u>	<u>2,996,425</u>
Total Liabilities	<u>34,576</u>	<u>268,494</u>	<u>3,740,274</u>	<u>4,043,344</u>
<b>NET POSITION</b>				
Net Investment In Capital Assets	-	66,483	-	66,483
Unrestricted	1,175,126	194,693	(2,211,536)	(841,717)
Total Net Position	<u>\$ 1,175,126</u>	<u>\$ 261,176</u>	<u>\$ (2,211,536)</u>	<u>\$ (775,234)</u>

**City of San Fernando**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
Year Ended June 30, 2021

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 833,954	\$ 1,611,468	\$ 1,164,114	\$ 3,609,536
Other	-	-	240	240
Total Operating Revenues	833,954	1,611,468	1,164,354	3,609,776
<b>OPERATING EXPENSES</b>				
Administration and General	311,026	1,406,693	1,707,565	3,425,284
Maintenance and Operations	271,215	185,893	-	457,108
Total Operating Expenses	582,241	1,592,586	1,707,565	3,882,392
Operating Income (Loss)	251,713	18,882	(543,211)	(272,616)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	1,135	(395)	(7,022)	(6,282)
Total Nonoperating Revenues (Expenses)	1,135	(395)	(7,022)	(6,282)
Income (Loss) Before Transfers	252,848	18,487	(550,233)	(278,898)
Transfers In	-	-	60,000	60,000
Transfers Out	-	-	-	-
Change in Net Position	252,848	18,487	(490,233)	(218,898)
Net Position, Beginning of Year	922,278	242,689	(1,721,303)	(556,336)
Net Position, End of Year	<u>\$ 1,175,126</u>	<u>\$ 261,176</u>	<u>\$ (2,211,536)</u>	<u>\$ (775,234)</u>

**City of San Fernando**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
Year Ended June 30, 2021

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
<b>Cash Flows from Operating Activities</b>				
Cash Received from Interfund Services Provided	\$ 833,954	\$ 1,611,581	\$ 1,160,532	\$ 3,606,067
Cash Paid to Suppliers for Goods and Services	(311,554)	(155,773)	(1,806,471)	(2,273,798)
Cash Paid to Employees	(297,624)	(1,402,502)	-	(1,700,126)
Claims Paid	-	-	266,037	266,037
Other Operating Income	-	-	240	240
Net Cash from Operating Activities	<u>224,776</u>	<u>53,306</u>	<u>(379,662)</u>	<u>(101,580)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from Other Funds	-	-	60,000	60,000
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<b>Cash Flows from Capital Financing Activities</b>				
Debt Proceeds	-	193,714	-	193,714
Payments on Long-term Debt	-	(66,483)	-	(66,483)
Acquisition of Capital Assets	-	(193,714)	-	(193,714)
Net Cash Flows from Capital Financing Activities	<u>-</u>	<u>(66,483)</u>	<u>-</u>	<u>(66,483)</u>
<b>Cash Flows from Investing Activities</b>				
Interest Received	<u>1,135</u>	<u>(395)</u>	<u>(7,022)</u>	<u>(6,282)</u>
Net Increase (Decrease) in Cash	225,911	(13,572)	(326,684)	(114,345)
Cash and Cash Equivalents - Beginning of Year	<u>943,265</u>	<u>349,477</u>	<u>1,817,992</u>	<u>3,110,734</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,169,176</u>	<u>\$ 335,905</u>	<u>\$ 1,491,308</u>	<u>\$ 2,996,389</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>				
Operating Income (Loss)	\$ 251,713	\$ 18,882	\$ (543,211)	\$ (272,616)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	113	(3,582)	(3,469)
(Increase) Decrease in Inventory	5,598	-	-	5,598
Increase (Decrease) in Accounts Payable	(29,541)	30,120	(17,849)	(17,270)
Increase (Decrease) in Accrued Liabilities	(2,994)	4,191	-	1,197
Increase (Decrease) in Insurance Payable	-	-	(81,057)	(81,057)
Increase (Decrease) in Claims Payable	-	-	266,037	266,037
Net Cash from Operating Activities	<u>\$ 224,776</u>	<u>\$ 53,306</u>	<u>\$ (379,662)</u>	<u>\$ (101,580)</u>

## **STATISTICAL SECTION**

**City of San Fernando**  
**Description of Statistical Section Contents**  
**June 30, 2021**

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	120
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	130
<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	139
<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	144
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	148

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 50,993,498	\$ 49,532,007	\$ 47,859,172	\$ 45,956,739
Restricted	2,533,805	1,802,498	11,909,107	5,887,197
Unrestricted	(14,057,614)	(16,643,447)	(20,208,301)	(40,687,419)
Total governmental activities net position	<u>\$ 39,469,689</u>	<u>\$ 34,691,058</u>	<u>\$ 39,559,978</u>	<u>\$ 11,156,517</u>
Business-type activities:				
Net investment in capital assets	\$ 14,811,543	\$ 14,420,860	\$ 14,866,478	\$ 14,634,533
Restricted	-	-	-	-
Unrestricted	7,887,577	8,492,168	8,626,377	8,157,375
Total business-type activities net position	<u>\$ 22,699,120</u>	<u>\$ 22,913,028</u>	<u>\$ 23,492,855</u>	<u>\$ 22,791,908</u>
Primary government:				
Net investment in capital assets	\$ 65,805,041	\$ 63,952,867	\$ 62,725,650	\$ 60,591,272
Restricted	2,533,805	1,802,498	11,909,107	5,887,197
Unrestricted	(6,170,037)	(8,151,279)	(11,581,924)	(32,530,044)
Total primary government net position	<u>\$ 62,168,809</u>	<u>\$ 57,604,086</u>	<u>\$ 63,052,833</u>	<u>\$ 33,948,425</u>

Source: City Finance Department



Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 44,313,624	\$ 41,001,890	\$ 42,239,084	\$ 40,925,297	\$ 40,816,119	\$ 41,717,958
5,926,880	5,847,710	17,998,631	20,621,615	21,199,073	24,260,931
(39,587,196)	(32,938,991)	(66,465,286)	(68,665,049)	(69,620,653)	(68,432,940)
<u>\$ 10,653,308</u>	<u>\$ 13,910,609</u>	<u>\$ (6,227,571)</u>	<u>\$ (7,118,137)</u>	<u>\$ (7,605,461)</u>	<u>\$ (2,454,051)</u>
\$ 14,592,937	\$ 14,515,239	\$ 14,079,295	\$ 13,581,037	\$ 14,803,962	\$ 14,643,543
-	-	-	-	-	-
7,404,904	3,639,086	(3,091,126)	(2,373,104)	(2,089,865)	(410,665)
<u>\$ 21,997,841</u>	<u>\$ 18,154,325</u>	<u>\$ 10,988,169</u>	<u>\$ 11,207,933</u>	<u>\$ 12,714,097</u>	<u>\$ 14,232,878</u>
\$ 58,906,561	\$ 55,517,129	\$ 56,318,379	\$ 54,506,334	\$ 55,620,081	\$ 56,361,501
5,926,880	5,847,710	17,998,631	20,621,615	21,199,073	24,260,931
(32,182,292)	(29,299,905)	(69,556,412)	(71,038,153)	(71,710,518)	(68,843,605)
<u>\$ 32,651,149</u>	<u>\$ 32,064,934</u>	<u>\$ 4,760,598</u>	<u>\$ 4,089,796</u>	<u>\$ 5,108,636</u>	<u>\$ 11,778,827</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
Governmental activities:				
General government	\$ 6,397,275	\$ 6,459,914	\$ 4,619,200	\$ 4,935,760
Public safety	10,346,561	9,414,862	10,190,441	10,731,526
Community development	1,944,293	999,751	981,236	988,973
Public works	5,423,605	5,503,387	6,052,317	7,017,740
Parks and recreation	2,145,767	2,224,370	1,781,749	1,740,259
Interest on long-term debt	509,971	72,425	58,565	170,118
Total governmental activities expenses	<u>26,767,472</u>	<u>24,674,709</u>	<u>23,683,508</u>	<u>25,584,376</u>
Business-type activities:				
Water	3,248,148	3,172,962	2,981,710	3,204,499
Sewer	2,445,675	2,802,013	2,893,127	2,491,408
Compressed Natural Gas	-	-	-	-
Waste disposal	1,027,810	1,021,804	827,986	16,734
Total business-type activities expenses	<u>6,721,633</u>	<u>6,996,779</u>	<u>6,702,823</u>	<u>5,712,641</u>
Total primary government expenses	<u>33,489,105</u>	<u>31,671,488</u>	<u>30,386,331</u>	<u>31,297,017</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	584,356	513,512	820,334	758,286
Public safety	1,359,010	1,553,828	1,538,619	1,407,121
Community development	413,067	295,199	431,884	412,683
Public works	565,723	757,265	912,209	763,728
Parks and recreation	458,090	576,507	564,742	397,055
Operating grants and contributions	3,197,798	3,139,513	2,851,032	3,386,430
Capital grants and contributions	930,527	719,000	1,204,330	704,193
Total governmental activities program revenues	<u>7,508,571</u>	<u>7,554,824</u>	<u>8,323,150</u>	<u>7,829,496</u>
Business-type activities:				
Charges for services:				
Water	2,769,412	3,291,272	3,806,797	3,849,880
Sewer	2,580,623	2,892,407	3,326,587	3,401,436
Compressed Natural Gas	-	-	-	-
Waste disposal	1,122,709	1,131,929	858,516	-
Total business-type activities program revenues	<u>6,472,744</u>	<u>7,315,608</u>	<u>7,991,900</u>	<u>7,251,316</u>
Total primary government program revenues	<u>13,981,315</u>	<u>14,870,432</u>	<u>16,315,050</u>	<u>15,080,812</u>
Net revenues (expenses):				
Governmental activities	(19,258,901)	(17,119,885)	(15,360,358)	(17,754,880)
Business-type activities	(248,889)	318,829	1,289,077	1,538,675
Total net revenues (expenses)	<u>(19,507,790)</u>	<u>(16,801,056)</u>	<u>(14,071,281)</u>	<u>(16,216,205)</u>

Source: City Finance Department

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 7,744,559	\$ 4,769,539	\$ 5,003,034	\$ 7,604,642	\$ 6,695,845	\$ 8,331,758
10,122,343	13,881,037	13,046,118	13,844,371	15,706,963	12,449,356
1,358,166	1,349,334	1,275,585	1,357,983	1,448,244	1,791,458
5,380,601	5,306,102	4,966,748	5,085,991	4,587,387	5,856,079
1,963,627	1,926,959	1,735,878	1,819,230	1,912,396	1,965,303
56,803	120,506	128,661	88,665	86,044	100,653
26,626,099	27,353,477	26,156,024	29,800,882	30,436,879	30,494,607
3,260,071	3,692,438	3,389,704	4,154,617	4,151,358	4,354,894
4,556,154	3,651,883	4,458,457	3,703,978	2,860,657	3,011,816
-	-	42,825	80,355	136,837	95,615
27,550	92,446	5,898	3,227	3,284	5,961
7,843,775	7,436,767	7,896,884	7,942,177	7,152,136	7,468,286
34,469,874	34,790,244	34,052,908	37,743,059	37,589,015	37,962,893
647,141	583,386	595,511	882,306	940,109	836,190
2,367,700	1,235,131	1,243,148	1,196,184	1,185,587	958,218
339,593	380,342	400,844	525,102	575,485	492,207
414,979	438,527	423,286	462,055	415,899	489,028
254,491	475,553	445,635	439,805	282,675	131,349
2,409,666	2,272,862	3,032,809	2,777,539	2,851,522	3,927,950
1,042,672	1,732,169	1,910,721	1,154,463	1,059,134	5,194,218
7,476,242	7,117,970	8,051,954	7,437,454	7,310,411	12,029,160
3,813,635	4,274,122	4,411,292	4,426,813	4,656,746	4,993,300
3,336,251	3,368,071	3,435,103	3,449,801	3,643,176	4,025,086
-	-	68,467	117,355	187,994	140,910
6,651	12,984	16,994	6,416	278	114
7,156,537	7,655,177	7,931,856	8,000,385	8,488,194	9,159,410
14,632,779	14,773,147	15,983,810	15,437,839	15,798,605	21,188,570
(19,149,857)	(20,235,507)	(18,104,070)	(22,363,428)	(23,126,468)	(18,465,447)
(687,238)	218,410	34,972	58,208	1,336,058	1,691,124
(19,837,095)	(20,017,097)	(18,069,098)	(22,305,220)	(21,790,410)	(16,774,323)

(Continued)

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

	Fiscal Year			
	2012	2013	2014	2015
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property	\$ 10,198,997	\$ 6,650,806	\$ 8,406,309	\$ 7,871,457
Sales and use	2,380,675	2,637,297	4,175,825	5,313,426
Property taxes in lieu of sales and use taxes	603,373	867,581	963,741	1,022,777
Business license taxes	1,082,584	1,031,924	1,043,365	1,114,416
Franchise	307,119	297,319	409,176	613,793
Other taxes	1,002,816	357,190	374,933	315,247
Intergovernmental, unrestricted	264,443	-	-	-
Investment income	918	1,530	16,790	50,748
Gain on sale of property	120,000	-	-	1,033,066
Other	562,404	376,607	573,853	43,010
Transfers	121,000	121,000	4,265,286	187,688
Extraordinary gain	4,810,783	-	-	-
Total governmental activities	<u>21,455,112</u>	<u>12,341,254</u>	<u>20,229,278</u>	<u>17,565,628</u>
Business-type activities:				
Investment income	11,152	16,079	10,458	17,287
Other	-	-	-	-
Transfers	(121,000)	(121,000)	(719,708)	(187,688)
Total business-type activities	<u>(109,848)</u>	<u>(104,921)</u>	<u>(709,250)</u>	<u>(170,401)</u>
Total primary government	<u>21,345,264</u>	<u>12,236,333</u>	<u>19,520,028</u>	<u>17,395,227</u>
Changes in net position:				
Governmental activities	2,196,211	(4,778,631)	4,868,920	(189,252)
Business-type activities	(358,737)	213,908	579,827	1,368,274
Total primary government	<u>\$ 1,837,474</u>	<u>\$ (4,564,723)</u>	<u>\$ 5,448,747</u>	<u>\$ 1,179,022</u>

(1) The fluctuations beginning in fiscal year 2012 compared to prior years resulted from reclassifications of certain revenues.

(2) The extraordinary gain in 2012 resulted from the dissolution of the City's Redevelopment Agency in accordance with State law.

Source: City Finance Department

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 8,739,138	\$ 8,867,169	\$ 8,970,624	\$ 9,741,048	\$ 9,730,128	\$ 10,725,774 (1)
6,437,739	7,911,392	7,984,731	8,207,979	8,773,312	10,186,845
962,590	-	-	-	-	-
1,184,994	1,483,606	1,629,779	1,601,969	1,658,301	1,554,102 (1)
636,652	636,457	663,381	693,474	710,629	741,355
334,419	350,636	371,835	396,279	367,170	341,780 (1)
-	-	-	-	-	-
72,181	102,733	122,016	564,893	591,883	7,759
-	-	-	-	-	-
107,561	48,101	192,512	87,220	323,826	239,242
181,000	180,000	162,407	180,000	180,000	180,000
-	-	-	-	-	- (2)
18,656,274	19,580,094	20,097,285	21,472,862	22,335,249	23,976,857
64,545	30,788	39,486	341,556	350,106	7,657
-	-	-	-	-	-
(181,000)	(180,000)	(162,407)	(180,000)	(180,000)	(180,000)
(116,455)	(149,212)	(122,921)	161,556	170,106	(172,343)
18,539,819	19,430,882	19,974,364	21,634,418	22,505,355	23,804,514
(493,583)	(655,413)	1,993,215	(890,566)	(791,219)	5,511,410
(803,693)	69,198	(87,949)	219,764	1,506,164	1,518,781
\$ (1,297,276)	\$ (586,215)	\$ 1,905,266	\$ (670,802)	\$ 714,945	\$ 7,030,191

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

	Fiscal Year			
	2012	2013	2014	2015
General fund:				
Nonspendable	\$ 335,766	\$ 392,931	\$ 739,783	\$ 371,547
Unassigned	(1,572,548)	(2,139,983)	(6,433,688)	(4,485,592)
Total general fund	<u>\$ (1,236,782)</u>	<u>\$ (1,747,052)</u>	<u>\$ (5,693,905)</u>	<u>\$ (4,114,045)</u>
All other governmental funds:				
Nonspendable	\$ 492,395	\$ 94,787	\$ 118,720	\$ -
Restricted	2,199,614	1,836,005	11,840,461	12,970,716
Unassigned	(2,508,607)	(164,377)	(238,284)	(86,502)
Total all other governmental funds	<u>\$ 183,402</u>	<u>\$ 1,766,415</u>	<u>\$ 11,720,897</u>	<u>\$ 12,884,214</u>

Source: City Finance Department

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 329,717	\$ 66,703	\$ 66,308	\$ 1,140	\$ 1,600	\$ 234,225
(3,409,964)	(1,541,792)	(274,561)	1,820,023	3,624,944	7,525,244
<u>\$ (3,080,247)</u>	<u>\$ (1,475,089)</u>	<u>\$ (208,253)</u>	<u>\$ 1,821,163</u>	<u>\$ 3,626,544</u>	<u>\$ 7,759,469</u>
\$ -	\$ 1,000	\$ 1,896	\$ -	\$ -	\$ -
16,579,665	17,727,008	18,388,470	20,565,668	21,199,073	24,249,648
(423,525)	(480,384)	(759,477)	(168,996)	(564,543)	(100,585)
<u>\$ 16,156,140</u>	<u>\$ 17,247,624</u>	<u>\$ 17,630,889</u>	<u>\$ 20,396,672</u>	<u>\$ 20,634,530</u>	<u>\$ 24,149,063</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Taxes	\$ 14,941,249	\$ 11,120,845	\$ 14,372,140	\$ 15,890,424
Licenses and permits	279,825	337,085	410,512	437,765
Charges for services	1,508,783	2,714,937	2,919,857	2,403,038
Fines and forfeitures	888,136	734,210	589,571	576,778
Investment earnings	280,368	218,923	232,404	231,535
Intergovernmental	5,234,049	4,467,012	4,615,312	4,636,669
Sale of inventory	-	-	-	-
Other	1,013,941	512,402	1,013,376	402,521
Total revenues	<u>24,146,351</u>	<u>20,105,414</u>	<u>24,153,172</u>	<u>24,578,730</u>
Expenditures				
Current:				
General government	4,623,271	4,967,021	2,398,576	2,902,267
Public safety	9,961,760	9,032,340	9,811,572	10,473,341
Community development	1,222,182	791,977	775,446	779,446
Public works	3,748,331	4,034,856	4,248,932	4,675,026
Parks and recreation	2,055,715	2,134,851	1,693,085	1,649,985
Pass-throughs	1,067,046	-	-	-
Capital outlay	-	427,999	464,855	239,126
Debt service:				
Principal	-	268,000	384,000	1,572,692
Interest and fiscal charges	378,568	72,425	58,565	170,118
Total expenditures	<u>23,056,873</u>	<u>21,729,469</u>	<u>19,835,031</u>	<u>22,462,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,089,478</u>	<u>(1,624,055)</u>	<u>4,318,141</u>	<u>2,116,729</u>
Other financing sources (uses):				
Transfers in	3,233,411	3,338,164	11,677,345	1,520,854
Transfers out	(3,112,411)	(3,217,164)	(7,412,059)	(1,927,472)
Payment to/from bond escrow agent	-	-	-	-
Issuance of debt	-	-	-	-
Discount	-	-	-	-
Sale of property	245,000	-	-	1,033,066
Total other financing sources (uses)	<u>366,000</u>	<u>121,000</u>	<u>4,265,286</u>	<u>626,448</u>
Extraordinary gain (loss)	<u>(1,723,105)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (267,627)</u>	<u>\$ (1,503,055)</u>	<u>\$ 8,583,427</u>	<u>\$ 2,743,177</u>
Debt service as a percentage of noncapital expenditures	1.2%	1.5%	2.1%	9.0%

Source: City Finance Department

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



Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 18,243,024	\$ 18,814,442	\$ 19,667,257	\$ 18,814,442	\$ 20,275,158	\$ 23,389,661
335,010	243,960	279,620	243,960	427,751	326,352
2,115,806	1,282,281	1,238,793	1,282,281	1,091,558	804,704
643,927	576,710	436,941	576,710	601,491	507,441
240,049	268,368	312,908	268,368	1,156,718	652,506
3,641,035	4,543,228	5,511,368	4,543,228	4,778,327	9,724,347
-	-	-	-	-	-
423,599	383,686	526,313	383,686	553,673	492,219
<u>25,642,450</u>	<u>26,112,675</u>	<u>27,973,200</u>	<u>26,112,675</u>	<u>28,884,676</u>	<u>35,897,230</u>
5,915,423	4,575,208	5,085,790	4,575,208	5,754,393	6,088,117
10,988,468	10,976,722	11,746,344	10,976,722	12,861,226	12,462,556
1,021,757	1,093,430	1,056,819	1,093,430	1,269,661	1,395,892
3,284,258	2,890,550	2,849,581	2,890,550	2,847,769	2,870,545
1,774,799	1,730,136	1,604,650	1,730,136	1,854,561	1,552,613
-	-	-	-	-	-
1,291,817	2,017,716	3,755,234	2,017,716	1,963,289	4,444,583
-	65,000	80,000	65,000	85,000	604,174
27,559	147,271	134,681	147,271	92,038	89,481
<u>24,304,081</u>	<u>23,496,033</u>	<u>26,313,099</u>	<u>23,496,033</u>	<u>26,727,937</u>	<u>29,507,961</u>
1,338,369	2,616,642	1,660,101	2,616,642	2,156,739	6,389,269
628,658	424,262	469,234	424,262	583,805	470,000
(577,658)	(344,262)	(479,234)	(344,262)	(697,305)	(350,000)
-	-	-	-	-	-
2,785,000	-	-	-	-	1,498,189
131,355	-	-	-	-	-
-	-	-	-	-	-
<u>2,967,355</u>	<u>80,000</u>	<u>(10,000)</u>	<u>80,000</u>	<u>(113,500)</u>	<u>1,618,189</u>
-	-	-	-	-	-
<u>\$ 4,305,724</u>	<u>\$ 2,696,642</u>	<u>\$ 1,650,101</u>	<u>\$ 2,696,642</u>	<u>\$ 2,043,239</u>	<u>\$ 8,007,458</u>
0.1%	0.9%	1.0%	0.9%	0.8%	2.8%

**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
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%
2020	1,195,481,281	363,074,783	317,648,622	57,747,212	111,592,898		2,045,544,796	0.34975%
2021	1,253,423,537	380,580,840	361,668,495	62,315,377	118,512,081		2,176,500,330	0.34140%

**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 Taxable Value)**  
**Last Ten Fiscal Years**

Agency	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Basic Levy <sup>1</sup>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.03530	0.04875	0.04454	0.04017	0.03575	0.03596	0.04599	0.04621	0.02717	0.04016
LA Unified School District	0.16819	0.17561	0.14644	0.14688	0.12971	0.13110	0.12219	0.12323	0.12552	0.13993
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Tax District No. 1	0.28420	0.28420	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357
Direct and Overlapping Tax Rates <sup>2</sup>	1.49139	1.51206	1.45102	1.43887	1.41659	1.40303	1.40406	1.40028	1.36832	1.38716
City Share of 1% Levy Per Prop 13 <sup>3</sup>	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	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357
Redevelopment Rate <sup>4</sup>	1.28790	-	-	-	-	-	-	-	-	-
Total Direct Rate <sup>5</sup>	0.73170	0.73694	0.39186	0.38353	0.38306	0.36884	0.36854	0.36433	0.34975	0.34140

**Notes:**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> *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.

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

<sup>5</sup> 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 Based On Net Values  
Current and Ten Years Ago**

Taxpayer	2020/21		Taxpayer	2011/12	
	Net Assessed Value	Percent of City's Total Net Assessed Value		Net Assessed Value	Percent of City's Total Net Assessed Value
Pharmavite LLC	\$ 38,259,820	1.76%	CPF San Fernando LLC	\$ 69,354,801	4.72%
Rexford Industrial 1145 Arroyo LLC	30,459,036	1.40%	Pharmavite LLC	39,563,692	2.69%
Rexford Industrial 1150 Aviation LLC	30,287,880	1.39%	SFVS Company LLC	19,942,752	1.36%
Rexford Industrial 1245 Aviation LLC	26,576,610	1.22%	Foothill HD Retail Center LLC	18,840,859	1.28%
SFVS Company LLC	24,266,920	1.11%	Ahi Glenoaks Inc.	15,314,658	1.04%
315 Partners LLC	24,010,765	1.10%	San Fernando Gateway LLC	14,189,185	0.96%
Foothill HD Retail Center LLC	22,071,580	1.01%	315 Partners LLC	13,539,038	0.92%
Rexford Industrial 1175 Aviation	18,200,676	0.84%	San Fernando Associates	10,065,121	0.68%
Ahi Glenoaks Inc	17,940,735	0.82%	San Fernando Valley Automotive LI	8,446,810	0.57%
San Fernando Gateway LLC	16,622,258	0.76%	NNN California Auto Services LLC	8,249,567	0.56%
Total Top Ten	<u>\$ 248,696,280</u>	<u>11.43%</u>	Total Top Ten	<u>\$ 217,506,483</u>	<u>14.79%</u>
Total Property Taxes	<u>\$ 2,176,500,330</u>		Total Property Taxes	<u>\$ 1,470,643,956</u>	

Data Source: Los Angeles County Assessor 2011/12 and 2020/21 Combined Tax Rolls and the SBE Non Unitary Tax Roll provided by HdL, Coren and Cone.

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	*Collected within the Fiscal Year of Levy		*Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2020	6,467,481	6,606,745	102.15%	(14,509)	6,592,236	101.93%
2021	6,527,995	7,063,096	108.20%	(7,427)	7,055,669	108.08%

**Notes:**

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

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

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

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

**For Fiscal Year 2020-21**

<u>Business Name</u>	<u>Business Category</u>
Arco	Service Stations
Arroyo Building Materials	Building Materials
Casco	Contractors
CCAP Auto Lease	Auto Lease
CVS Pharmacy	Drug Stores
El Pollo Loco	Quick Service Restaurants
El Super	Grocery Stores
Enterprise Rent A Car	Transportation/Rentals
Ferguson Enterprises	Plumbing/Electrical Supplies
Ganas Auto	Used Automotive Dealers
Goodman Distribution	Contractors
Home Depot	Building Materials
Malbros Ready Mix Concrete	Contractors
McDonald's	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Pool & Electrical Products	Plumbing/Electrical Supplies
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Smart & Final	Grocery Stores
T L Shield & Associates Inc	Contractors
T Mobile	Electronics/Appliance Stores
Taco Bell	Quick Service Restaurants
Truman Fuel	Service Stations
Vallarta Supermarket	Grocery Stores
Walgreens	Drug Stores
WSS	Shoe Stores

**Percent of Fiscal Year Total Paid By Top 25 Accounts = 72.97%**

\* Firms Listed Alphabetically

Period: July 2020 Thru March 2021

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 2011-12**

<u>Business Name</u>	<u>Business Category</u>
Acey Decy Lighting	Repair Shop/Equip. Rentals
American Maintenance Supply	Plumbing/Electrical Supplies
Arco	Service Stations
Arroyo Building Materials	Building Materials
Casco	Contractors
Del Taco	Quick Service Restaurants
El Pollo Loco	Quick Service Restaurants
Food 4 Less	Grocery Stores
Goodman Distribution	Contractors
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
Jack in the Box	Quick Service Restaurants
JC Penney	Department Stores
Lucky Pacific 76	Service Stations
McDonalds	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Payless Foods	Grocery Stores
Pep Boys	Automotive Supply Stores
Pharmavite	Drugs/Chemicals
Pool & Electrical Products	Plumbing/Electrical Supplies
Sams Club	Discount Dept. Stores
Taco Bell	Quick Service Restaurants
Truman 76	Service Stations
Valu Plus	Grocery Stores
WSS	Shoe Stores

**Percent of Fiscal Year Total Paid By Top 25 Accounts = 68.24%**

\* Firms Listed Alphabetically

Period: July 2011 Thru June 2012

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)**  
**Adjusted for Economic Data**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Apparel Stores	\$ 9,209	\$ 9,728	\$ 9,452	\$ 9,430	\$ 10,410
Food Stores	11,838	13,558	15,747	13,755	14,084
Eating and Drinking Places	45,551	48,887	52,953	54,674	61,166
Building Materials	71,175	69,340	86,283	90,292	96,112
Auto Dealers and Supplies	24,743	28,834	47,098	83,207	89,543
Service Stations	17,810	19,006	17,864	16,736	15,301
Other Retail Stores	57,935	56,220	55,367	57,219	63,804
All Other Outlets	79,442	81,690	87,476	94,761	111,953
	<hr/>				
Total	\$ 317,703	\$ 327,263	\$ 372,240	\$ 420,074	\$ 462,373
	<hr/>				

**Notes:**

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



**City of San Fernando**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**  
**Adjusted for Economic Data**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Apparel Stores	\$ 11,449	\$ 11,799	\$ 12,327	\$ 12,339	\$ 11,132
Food Stores	15,033	15,638	16,028	16,136	16,719
Eating and Drinking Places	66,331	72,037	76,042	78,622	72,890
Building Materials	102,799	114,463	121,603	124,505	128,552
Auto Dealers and Supplies	105,444	103,648	110,564	127,816	140,869
Service Stations	13,545	12,927	14,988	14,421	9,974
Other Retail Stores	64,667	64,567	38,801	34,390	36,281
All Other Outlets	123,957	127,396	143,143	150,691	191,185
	<hr/>				
Total	\$ 503,225	\$ 522,475	\$ 533,496	\$ 558,920	\$ 607,602
	<hr/>				

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

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

Water Customer	2021		Water Customer	2012	
	Water Charges	Percent of Total Water Revenues		Water Charges	Percent of Total Water Revenues
Pharmavite Corporation	\$ 62,567	1.36%	Pharmavite Corporation	\$ 32,579	1.30%
LA Board of Education	31,186	0.68%	Pharmavite Corporaton	19,675	0.78%
Pharmavite Corporation	26,387	0.57%	Puretek Corp	13,223	0.53%
City of San Fernando	22,640	0.49%	Mission Park Apartment	9,940	0.40%
City of San Fernando	21,790	0.47%	Olin Majers	9,061	0.36%
MSN Holdings	18,797	0.41%	Fresenius Medical CA	8,926	0.36%
Fresenius Medical CA	17,538	0.38%	LA Board of Education	8,832	0.35%
Mission Park Apartment	16,909	0.37%	The SFVS Company LLC	8,551	0.34%
LA Board of Education	15,544	0.34%	Martin & Denise Rile	8,359	0.33%
Soo Bin Im	<u>14,861</u>	<u>0.32%</u>	Puretek Corp.	<u>7,354</u>	<u>0.29%</u>
<b>Total Top Ten</b>	<b>\$ 248,219</b>	<b>5.39%</b>	<b>Total Top Ten</b>	<b>\$ 126,500</b>	<b>5.04%</b>
<b>Total Water Revenue</b>	<b><u>\$ 4,605,456</u></b>		<b>Total Water Revenue</b>	<b><u>\$ 2,510,631</u></b>	

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

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

Fiscal Year Ended June 30	Governmental Activities	Business-Type Activities		Total	Percentage of Personal Income	Per Capita
	Certificates of Participation	2020 Installment Sale				
		Loans	Agreement			
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
2020	2,578,511	-	1,350,000	3,928,511	0.80%	162
2021	2,482,800	1,313,554	1,225,000	5,021,354	0.95%	210

**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/PST045219> visited 11/24/2021.

**City of San Fernando**  
**Direct and Overlapping Debt As Of June 30, 2021**

	<b>Gross Bonded Debt Balance</b>	<b>Percent Applicable To City</b>	<b>Net Bonded Debt</b>
<b>Direct Debt:</b>			
240.01 2016 Installment Sale Agreement	2,380,000	100.000	2,380,000
240.01 Premium	102,800	100.000	102,800
<b>Total Direct Debt</b>			<b>2,482,800</b>
<b>Overlapping Debt:</b>			
* 310.30 Metropolitan Water District	13,101,783	0.137	17,904
805.55 LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.226	4,777
805.56 LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.226	71,274
805.65 LA CCD DS 2008, 2009 Taxable Ser B	75,000,000	0.226	169,405
805.66 LA CCD DS 2008, 2010 Tax Series D	125,000,000	0.226	282,341
805.67 LA CCD DS 2008, 2010 Tax Ser E (BABS)	900,000,000	0.226	2,032,856
805.69 LA CCD DS 2008, 2012 Series F	19,000,000	0.226	42,916
805.70 LA CCD DS 2013 Ref Bonds	12,270,000	0.226	27,715
805.71 LA CCD DS 2008 Series G	33,670,000	0.226	76,051
805.73 LA CCD DS 2015 Ref Series A	203,235,000	0.226	459,053
805.74 LA CCD DS 2015 Ref Series B	205,540,000	0.226	464,259
805.75 LA CCD DS 2015 Ref Series C	190,920,000	0.226	431,237
805.76 LA CCD DS 2008 Series 1	173,700,000	0.226	392,341
805.78 LA CCD DS 2016 Ref Bonds	239,880,000	0.226	541,824
805.82 LA CCD DS 2016 Series B	2,193,365,000	0.226	4,954,218
887.86 Los Angeles Unif DS 2002 Series E	200,000,000	0.276	552,633
887.89 Los Angeles Unif DS 2005 Series H	249,040,000	0.276	688,138
887.92 Los Angeles Unif Measure R Series KRY BABS	363,005,000	0.276	1,003,042
887.93 Los Angeles Unif Measure Y 2009 Series KRY BABS	806,795,000	0.276	2,229,307
887.98 Los Angeles Unif Measure R 2010 Series RY BABS	477,630,000	0.276	1,319,770
887.99 Los Angeles Unif Measure Y 2010 Series RY BABS	772,955,000	0.276	2,135,802
888.55 Los Angeles Unif DS 2005 2010 Series J-1 QSCBS	134,415,000	0.276	371,411
888.56 Los Angeles Unif DS 2005 2010 Series J-2 QSCBS	70,670,000	0.276	195,273
888.57 Los Angeles Unif DS 2011 Refunding Bond Series A 1	52,305,000	0.276	144,527
888.58 Los Angeles Unif DS 2011 Refunding Bond Series A 2	131,825,000	0.276	364,254
888.59 Los Angeles Unif DS 2012 Refunding Bond Series A	79,965,000	0.276	220,956
888.60 Los Angeles Unif DS 2014 Ref Bond Series A	39,990,000	0.276	110,499
888.61 Los Angeles Unif DS 2014 Ref Bond Series B	126,165,000	0.276	348,615
888.62 Los Angeles Unif DS 2014 Ref Bond Series C	767,245,000	0.276	2,120,024
888.63 Los Angeles Unif DS 2014 Ref Bond Series D	115,040,000	0.276	317,874
888.68 Los Angeles Unif DS 2015 Ref Bond Series A	218,260,000	0.276	603,088
888.69 Los Angeles Unif DS 2008 Series A 2016	377,985,000	0.276	1,044,435
888.70 Los Angeles Unif DS 2016 Ref Bonds Series A	267,465,000	0.276	739,050

Data Source: HdL Coren and Cone, Los Angeles County Assessor and Auditor Combined 2020/21 Lien Date Tax Rolls.

**City of San Fernando**  
**Direct and Overlapping Debt As Of June 30, 2021**

**Overlapping Debt (Continued):**

888.71 Los Angeles Unif DS 2016 Ref Bonds Series B	498,240,000	0.276	1,376,719
888.72 Los Angeles Unif DS 2017 Ref Bond Ser A Prop BB	113,455,000	0.276	313,495
888.73 Los Angeles Unif DS 2017 Ref Bonds Ser A Meas K	921,240,000	0.276	2,545,537
888.74 Los Angeles Unif DS 2005 Series M 1 2018	111,265,000	0.276	307,443
888.76 Los Angeles Unif DS 2008 Series B 1 2018	1,034,935,000	0.276	2,859,695
888.78 Los Angeles Unif DS 2019 Ref 2002 Ser D Meas K	142,765,000	0.276	394,483
888.79 Los Angeles Unif DS 2019 Ref 2004 Ser I Meas R	316,820,000	0.276	875,426
888.80 Los Angeles Unif DS 2019 Ref 2005 Ser F Meas Y	85,710,000	0.276	236,831
888.82 Los Angeles Unif Measure R 2020 Series RYQ	829,000,000	0.276	2,290,663
888.83 Los Angeles Unif Measure Y 2020 Series RYQ	302,000,000	0.276	834,476
888.84 Los Angeles Unif Measure Q 2020 Series RYQ	907,190,000	0.276	2,506,715
888.85 Los Angeles Unif Series RYQ 2020B	196,310,000	0.276	542,437

<b>Total Overlapping Debt:</b>			<b>39,560,789</b>
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<b>Total Direct and Overlapping Debt</b>			<b>42,043,589</b>
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2020/2021 Assessed Valuation: \$1,392,740,763 After Deducting \$783,759,567 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.18%
	Overlapping Debt	2.84%
	Total Debt	3.02%

**Notes:**

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

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

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

Data Source: HdL Coren and Cone, Los Angeles County Assessor and Auditor Combined 2020/21 Lien Date Tax Rolls.

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

Fiscal Year	2012	2013	2014	2015	2016
Assessed Valuation	1,470,643,956	1,522,426,847	1,559,841,135	1,632,412,360	1,685,676,080
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	367,660,989	380,606,712	389,960,284	408,103,090	421,419,020
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	55,149,148	57,091,007	58,494,043	61,215,464	63,212,853
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>55,149,148</u>	<u>57,091,007</u>	<u>58,494,043</u>	<u>61,215,464</u>	<u>63,212,853</u>
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.

Data Source: Los Angeles County Assessor 2011/12 - 2020/21 Combined Tax Rolls, provided by HdL, Coren and Cone and City Finance Department

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

Fiscal Year	2017	2018	2019	2020	2021
Assessed Valuation	1,791,249,290	1,854,633,401	1,942,294,308	2,045,544,796	2,176,500,330
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	447,812,323	463,658,350	485,573,577	511,386,199	544,125,083
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	67,171,848	69,548,753	72,836,037	76,707,930	81,618,762
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>67,171,848</u>	<u>69,548,753</u>	<u>72,836,037</u>	<u>76,707,930</u>	<u>81,618,762</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Data Source: Los Angeles County Assessor 2011/12 - 2020/21 Combined Tax Rolls, provided by HdL, Coren and Cone and City Finance Department

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

<u>Calendar Year</u>	<u>Population <sup>1</sup></u>	<u>Calif. Metropolitan Personal Income (in thousands)<sup>2</sup></u>	<u>Calif. Metropolitan Per Capita Personal Income<sup>2</sup></u>	<u>Unemployment Rate<sup>3</sup></u>
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%
2020	24,322	490,404,000	20,163	3.9%
2021	23,946	528,847,000	22,085	12.3%

Data Sources: <sup>1</sup> US Census Bureau

<sup>2</sup> 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 Bureau Of Labor Statistics (data shown is for the metropolitan area of L.A.-Long Beach-Anaheim).  
<sup>3</sup>



**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

<b>Land Use (Estimated % of City)</b>	Residential	43.2%
	Commercial	10.2%
	Industrial	9.7%
	Public/Institutional	7.4%
	Open space/Recreational	1.7%
	Highway and streets, rights-of-way	26.3%
	Undeveloped land	1.6%
		<u>100.0%</u>

<b>Building Permits</b>	<u>Calendar Year</u>	<u># Permits</u>	<u>Valuation</u>
	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
	2020	1,192	14,275,431
	2021	1,125	12,128,000

Date Source: City of San Fernando Community Development Department

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

<u>Business Name</u>	<u>2020-21</u>		<u>Business Name</u>	<u>2011-12</u>	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Los Angeles Unified School District	1962	17.84%	Los Angeles Unified School District	580	5.49%
Pharmavite LLC	327	2.97%	Pepsi Beverages Company	300	2.84%
Pepsi Beverages Company	322	2.93%	Home Depot	250	2.37%
Home Depot	305	2.77%	Los Angeles County Superior Court*	265	2.51%
Los Angeles County Superior Court *	275	2.50%	Puretek Corporation	400	3.79%
Puretek Corporation	187	1.70%	JT Contractors	400	3.79%
Northeast Valley Health Group	144	1.31%	Samco Scientific	250	2.37%
Production Resource Group LLC (PRG)	144	1.31%	Linzer Products	250	2.37%
Vallarta Supermarkets**	137	1.25%	Future Graphics	220	2.08%
Ricon Corp	140	1.27%	Bernard Brothers	200	1.89%
Total Top Ten Employers	<u>3,943</u>	<u>35.85%</u>	Total Top Ten Employers	<u>3,115</u>	<u>29.50%</u>
Total City Labor Force <sup>(1)</sup>	<u>11,000</u>		Total City Labor Force	<u>10,560</u>	

**Notes:**

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

\* Includes all employees at courthouse, including state and county

\*\* Includes 2 locations

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

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

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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	15	14	14	14	15
Community Development	5	9	8	8	8
Public Safety	57	50	48	48	47
Public Works	39	36	35	34	34
Recreation and Community Services	31	24	30	32	24
Total	<u>147</u>	<u>133</u>	<u>135</u>	<u>136</u>	<u>128</u>

Data Source: City of San Fernando Finance and Personnel Records

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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	15	15	15	15	15
Community Development	8	8	8	8	8
Public Safety	48	48	49	49	49
Public Works	34	34	34	36	35
Recreation and Community Services	24	24	24	24	24
	<u>129</u>	<u>129</u>	<u>130</u>	<u>132</u>	<u>132</u>

Data Source: City of San Fernando Finance and Personnel Records

**City of San Fernando**  
**Operating Indicators by Function**  
**Last Ten Years**

Function	Calendar Year				
	2012	2013	2014	2015	2016
Police:					
Arrests	887	683	581	612	1007
Parking Citations Issued	13,407	10,699	8,654	10,730	9,745

Data Source: City of San Fernando Police Department

**City of San Fernando  
Operating Indicators by Function  
Last Ten Years**

Function	Calendar Year				
	2017	2018	2019	2020	2021
Police:					
Arrests	965	881	833	903	991
Parking Citations Issued	8,691	9,602	12,471	9,683	9,198

Data Source: City of San Fernando Police Department

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

Function	Fiscal Year				
	2012	2013	2014	2015	2016
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	0	0	0	0	0
Public Works:					
Streets (miles)	47.20	47.20	47.20	47.20	47.20
Alleyways (miles)	3.20	3.20	3.20	3.20	3.20
Streetlights	1,848	1,848	1,848	1,848	1,848
Traffic Signals Intersections	45	45	45	45	45
Parks and Recreation:					
Parks	6	6	8	8	8
Recreation Centers	2	2	2	2	2
Water:					
Water Mains (miles)	66.88	66.88	66.88	66.88	66.88
Maximum Daily Pumping Capacity	600	600	600	600	3,600
Wastewater:					
Sanitary Sewers (miles)	42.59	42.59	42.59	42.59	42.59
Storm Sewers (miles)	0.68	0.68	0.68	0.68	0.68



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

Function	Fiscal Year				
	2017	2018	2019	2020	2021
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	0	0	0	0	0
Public Works:					
Streets (miles)	47.20	47.20	47.20	47.20	47.20
Alleyways (miles)	3.20	3.20	3.20	3.20	3.20
Streetlights	1,848	1,848	1,848	1,848	1,848
Traffic Signals Intersections	45	45	45	45	45
Parks and Recreation:					
Parks	8	8	8	8	8
Recreation Centers	2	2	2	2	2
Water:					
Water Mains (miles)	66.88	66.88	66.88	66.88	66.88
Maximum Daily Pumping Capacity	3,600	3,600	3,600	3,600	3,600
Wastewater:					
Sanitary Sewers (miles)	42.59	42.59	42.59	42.59	42.59
Storm Sewers (miles)	0.68	0.68	0.68	0.68	0.68