



THE CITY OF
SAN FERNANDO
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2022

SAN FERNANDO,
CALIFORNIA



CITY OF SAN FERNANDO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
FOR THE YEAR ENDED JUNE 30, 2022

Prepared by:
Finance Department

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City of San Fernando, California
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022
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INTRODUCTORY SECTION

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THE CITY OF SAN FERNANDO

CITY COUNCIL

MAYOR
MARY MENDOZA

December 30, 2022

VICE MAYOR
HECTOR A. PACHECO

Honorable Mayor and City Council Members
Residents of San Fernando

COUNCILMEMBER
SYLVIA BALLIN

COUNCILMEMBER
CINDY MONTAÑEZ

COUNCILMEMBER
CELESTE T. RODRIGUEZ

The Annual Comprehensive Financial Report (ACFR) of the City of San Fernando, California (the City) for the fiscal year ended June 30, 2022, 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. 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 accounting principles generally accepted in the United States of America (U.S. GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, 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 U.S. 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.

FINANCE DEPARTMENT

117 MACNEIL STREET
SAN FERNANDO
CALIFORNIA
91340

ADMINISTRATIVE
DIVISION
(818) 898-1200

BUSINESS LICENSE
DIVISION
(818) 898-1245

TREASURER DIVISION
(818) 898-1208

WATER DIVISION
(818) 898-1213

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 Vasquez & Company, 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 for the fiscal year ended June 30, 2022, 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's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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The independent audit of the financial statements of the City is part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal grantor agencies. The City is required to undergo the annual single audit in conformance with provisions of the Single Audit Act Amendments of 1996 and the Uniform Guidance. The Single Audit Report, which is issued separately, includes the schedule of federal expenditures, findings and recommendations, the auditors' reports on the internal control structure and compliance with applicable laws and regulations.

U.S. 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, 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 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 of 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.

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

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

History of San Fernando

When entering the City 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 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.

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

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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 first quarter 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.

As vaccinations became widely available in the second quarter of 2021, economic restrictions were relaxed and many businesses were allowed to reopen under masking and social distancing requirements. However, by the end of the third quarter, a new, more contagious COVID-19 variant (i.e. the Omicron variant) drastically increased infection rates throughout the United States going into the holiday months. Fortunately, the widespread vaccination campaign provided some protection and healthcare systems were not over-stressed. Consequently, another round of economic restrictions and business closures was avoided.

As we close 2022, most mask mandates have been lifted and Health Order restrictions have transitioned to recommendations and best practices. That said, a number of international factors, such as Russia’s invasion of Ukraine and a surge of COVID cases re-emerging in China, have exacerbated supply chain interruptions and added to significant inflationary pressures.

The following analysis of the federal, state and local economic outlooks provides context for the City’s revenue projections.

Federal Economy

The federal government enacted demand-stimulating fiscal and monetary policy throughout the COVID-19 pandemic by returning tax dollars to consumers in an attempt to support economic recovery. These expansionary policies have been the principal cause of increased Gross Domestic Product (GDP) and recent significant price inflation. According to the Bureau of Economic Analysis, GDP, which is a measure of output for the US economy, increased by 5.7% in 2021. GDP is expected to grow by approximately 3.6% in 2022 and 2.4% in 2023. The overall size of the nation’s economy in terms of GDP exceeded pre-pandemic levels in the second quarter of 2021, marking a substantial recovery from the 2020 pandemic-induced recession.

The national unemployment rate, which began in 2021 at around 6.3 percent, improved significantly during the year falling to 3.9 percent in December and is close to the pre-pandemic 50-year low of 3.5 percent. However, job vacancies are still historically high due primarily to the reduced size of the labor force. Although the U.S. labor market has been experiencing a steady decline in the labor force participation rate since its peak in the late 1990s/early 2000s, the Great Resignation during COVID-19 saw a mass exodus of many of the most experienced employees from the labor force for good.

Consequently, the labor force participation rate is near the lowest it has been since 1977. The labor force participation rate will be a key metric to watch going forward and will be an important determinant of overall economic performance and future changes in the economy.

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U.S. consumer spending, encouraged by multiple rounds of U.S. government stimulus checks and supplemental unemployment benefits, remained strong in 2021, particularly during the first half of the year. According to the Bureau of Economic Analysis, personal consumption in the United States increased by 11.4 percent in the first quarter, 12.0 percent in the second quarter, and a 1.7 percent annualized rise in the third quarter.

The Federal Reserve has announced that it is planning to significantly reduce the rate of its monthly bond purchasing as well as to raise interest rates throughout 2022. This change in Fed policy is designed to apply downward pressure on inflation. However, care must be taken not to tighten monetary policy in a way that will disrupt the ongoing economic recovery.

In summary, the national economy is in a delicate stage. While fundamental indicators such as GDP and the employment rate are strong, increasing CPI is eroding consumer spending and stock market volatility is impacting many American's personal wealth. However, it is expected that federal stimulus funding will keep the U.S. from sliding into a recession over the next fiscal year.

State Economy

While California has significantly recovered from the pandemic-induced downturn, significant challenges remain. The pandemic is still negatively affecting the state's economy, particularly in industries that rely on high degrees of in-person interaction, and continuing to inject uncertainty into the recovery process. Throughout the pandemic, California has experienced its first recorded decline in population since recording began over 100 years ago. In addition, business headquarters have left the state at a record pace during the pandemic. Furthermore, the pandemic significantly impacted California's housing market.

Home prices increased dramatically throughout California during the pandemic. California's housing market remains significantly more expensive compared to housing markets throughout much of the United States. California's continued recovery in the years to come will depend on a variety of factors including national and state economic policy and new developments related to the pandemic. Additionally, the housing market, relocation of businesses to other states, and relatively high degree of income inequality, pose continuing challenges for the state.

California has long faced a number of challenges that have been exacerbated by the pandemic. Ongoing challenges that have been amplified by the pandemic include a declining population, increasing housing costs, and business headquarter exits to other states. The pandemic has served to accelerate trends that may result in significant negative consequences for California. State policymakers will need to take timely and effective steps to address these challenges and reverse existing trends before these issues become prohibitively difficult to fix.

While California significantly recovered from the pandemic-induced downturn in 2021, substantial challenges remain. The pandemic is still negatively impacting the state's economy, particularly industries that rely on high degrees of in-person interaction. Additionally, the high cost of housing, relocation of businesses to other states, and relatively high degree of income inequality, represent continuing challenges for California. Despite these challenges, similar to the national economy, it is expected that budget surplus and government spending will keep California from sliding into a recession over the next fiscal year.

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Local Economy

The resiliency of the City's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service businesses such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp, and Vallarta. American Fruits and Flavors, which manufactures Monster Energy Drinks, is constructing a 165,000 square foot manufacturing facility in the City that will be home to more than 300 jobs when it is finished. 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. Now that economic restrictions and mask mandates have been lifted, most small businesses have returned to normal operations and events like the San Fernando Outdoor Market are enticing customers back to the City's commercial corridors. The City Council also approved \$400,000 in CDBG funds to provide \$10,000 grants to 40 small businesses in the City. This program is being administered by the Los Angeles County Community Development Authority and funds are expected to be fully disbursed to businesses by the end of June.

Beginning in the fall of 2020, the City worked with the Mall Association to support a new monthly community event, the San Fernando Outdoor Market, to spotlight local businesses and create a sense of pride and hope for the community. Since that first event, there have been more than 12 Outdoor Markets, which have grown to attract more than 70 vendors who often sell out of their products during the 3-hour event. Thousands of customers walk along San Fernando Road to patronize vendor booths and shops at each event. Events like the San Fernando Outdoor Market serve as catalysts to revitalizing the downtown and a lasting legacy of a strong partnership between the City and the Downtown businesses.

As part of the FY 2021-2022 Adopted Budget, City Council demonstrated a commitment to invest in the local economy by approving funding for an Economic Development Manager position and funding to initiate an Economic Development Master Plan. These investments will work to attract business and make the local economy even more resilient in the long term.

The City's local economy and customer base proved to be resilient throughout the pandemic. The City has a solid base of retail, manufacturing, personal service, and restaurant businesses that provide sales and business taxes that have consistently grown over the past 10 years. With affordable lease rates, easy access to major transit routes (i.e. Interstate 5, 210 Freeway, and the 118 Freeway) and access to regional transit from the Sylmar Metrolink Station, the local economy is expected to remain strong over the next fiscal year. Additionally, new businesses opening locations in San Fernando in the next few years, including Target and American Fruits and Flavors, will provide a boost to the local economy over the long-term.

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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 Fees, 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.

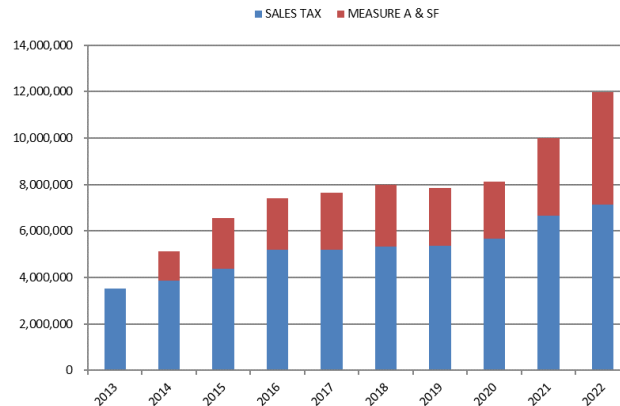
In addition to the state, county, and local sales and use tax, San

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 the City customers, but spent regionally rather than locally. The total local transaction use tax revenues totaled \$4.9 million, which is an increase of 19.3% over prior year proceeds due largely to FY2021-2022 being the first full year of Measure SF revenues.

Sales, use and transaction tax (Sales Tax) is the City's largest revenue, accounting for almost 46.1% 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 the City's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service businesses 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 nine years. Sales Tax revenues are estimated to increase by 5.8% in FY 2022-2023, due to State and Federal stimulus payments, continued growth in vehicle and on-line sales and an optimistic outlook toward economic recovery.

SALES, USE & TRANSACTION TAX



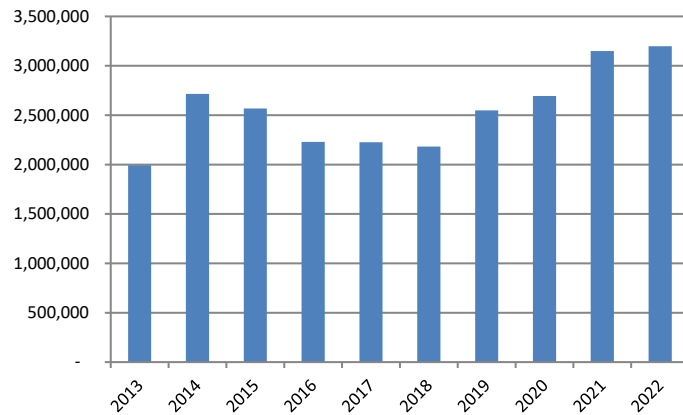
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Property Tax

Property tax is an ad valorem tax levied on property owners in the City. 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.

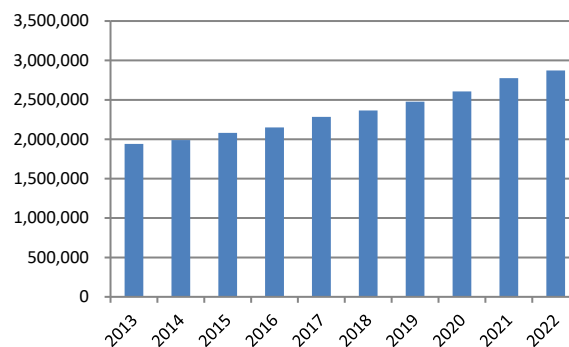
Assessed property values are steadily rebounding since they bottomed out in FY 2010-2011. Consequently, Property Tax revenue has shown steady growth over the last few years, which is expected to continue through 2023 due to strong market conditions and local investment. The median of a Single Family Residential sales price has increased from \$515,000 to \$650,000 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 by 11.9% in FY 2022-2023.

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



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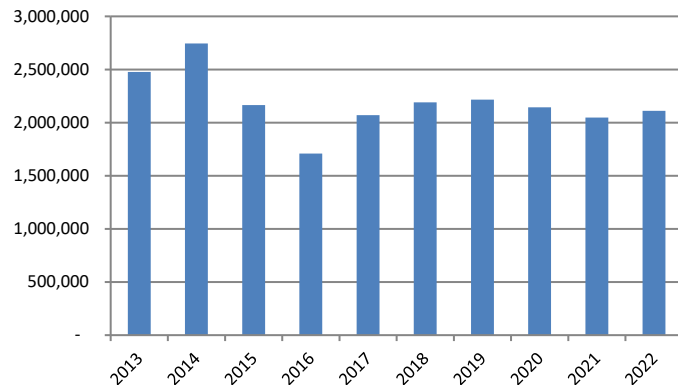
Property Tax In-lieu of Motor Vehicle License Fee accounts for more than 12% of General Fund revenue.

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 3.55%. Consequently, Property Tax In-lieu of VLF is projected to increase by 7.47% in FY 2022-2023.

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



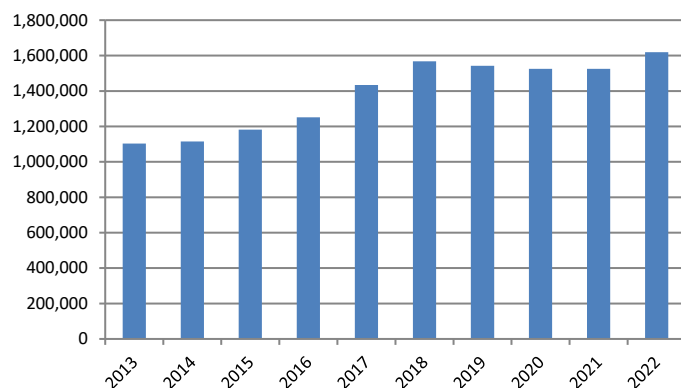
Charges for Services are the City's fourth largest revenue source, accounting for 8.7% of total General Fund revenues.

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 2.0% primarily due to a decrease in projected revenue for Special Police Services.

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



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

Business License revenue is 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. The City has approved a number of COVID-19 Relief Programs for businesses including a Small Business Grant Program with American Rescue Plan Act Funds.

In FY 2022-2023, the City is projecting continued business recovery with an increase of 36.9% over prior year adjusted revenues.

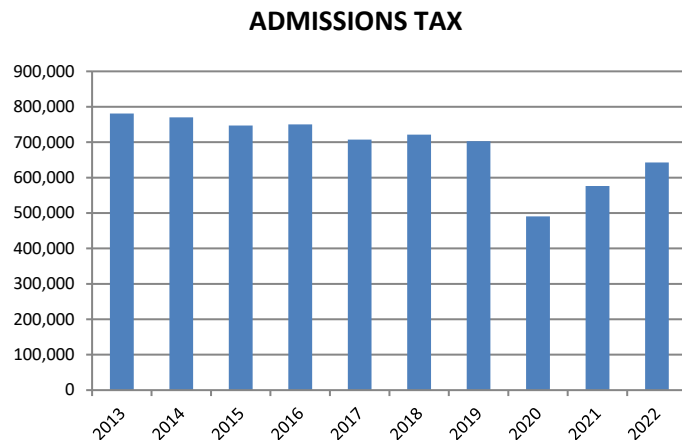
Admissions Tax

The City 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 2.8% 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. As the economy continues to recover, Admission Tax revenues are projected to remain flat in the upcoming year at \$700,000.



General Fund Expenditures

Since fiscal year 2012-2013, total General Fund expenditures have increased by more than 28%. Fortunately, the City was able to climb out of a significant financial hole due to Measures A & SF 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 increased by 9.72% from FY 2020-2021. The increase is due to the restoration of staffing levels and enhancements as the City following COVID-19 departmental reductions to operating costs.

Public Safety (including the Fire Service contract with the City of Los Angeles) expenditures accounted for 66% of General Fund expenditures in FY 2021-2022, as expenditures increased by 11% over FY 2020-2021, as vacant positions were filled.

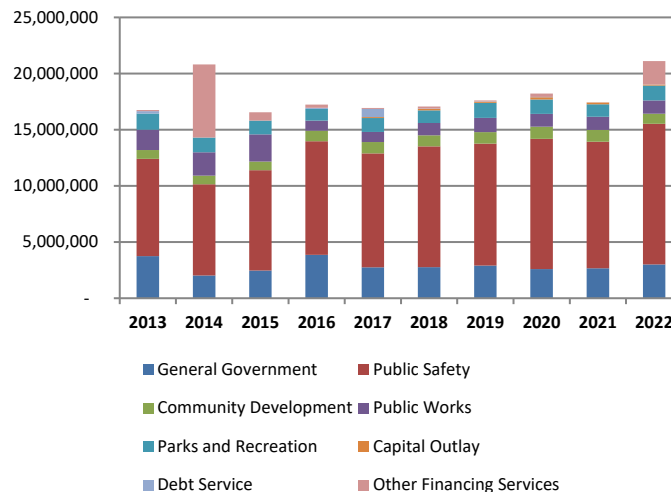
General Government expenditures increased by 13% due to position enhancements while Community Development expenditures declined by 15% due to vacancies.

There were no significant changes to Public Works expenditures.

Parks and Recreation expenditures decreased by 7% due to a number of vacant positions, even as social activities were slowly reopened and restructured following the COVID-19 pandemic.

In response to COVID-19, the City Council made prudent financial decisions in FY 2020-2021 to address economic restrictions imposed in an effort to maintain the City core services and contain costs by deferring internal debt payments, reducing Department operating budgets, and offering employee retirement incentive programs. As the City transitions from responding to the COVID-19 pandemic to recovering from the COVID-19 pandemic, we are presented with an opportunity to modernize the City's organizational structure and reimagine how services are provided. Rather than "recovering" from the social and economic impacts of COVID-19, which implies returning to the way things used to be, staff has been asked to explore restructuring their department based on the services that the City will be providing over the next 10 years and creatively re-imagine services to set the City up for an equitable, sustainable, and resilient future.

**General Fund
Statement of Expenditures**



**CITY-WIDE STRATEGIC GOALS
FISCAL YEAR 2022-2027**

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 2022-2023 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 the City. Working to implement the following goals will put the Focus on Community First:

1. Provide a high standard of service and quality of life for the City 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

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 the City's history, art and culture into cultural and economic development plans. Support economic development efforts, including music and arts projects/programs, that highlight the City'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 the City.
2. Promote home ownership and first time homeowner programs, particularly programs that provide home ownership opportunities for current City 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.

Honorable Mayor and City Council Members

Residents of San Fernando

5. Develop a Homeless Plan and policies to support unsheltered and underhoused 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 underhoused.

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 the City.
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 8th 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).

Honorable Mayor and City Council Members

Residents of San Fernando

- 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 the City businesses and cultural institutions.
- 2. Ensure the East Valley Regional Light Rail and Metrolink projects servicing the City 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:

Honorable Mayor and City Council Members

Residents of San Fernando

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 the City 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 postemployment benefit (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 the response to the COVID-19 pandemic the highest priority since it was 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 the 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 U.S. GAAP. 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 judgments 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, 2021. This was the 38th 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.

Honorable Mayor and City Council Members

Residents of San Fernando

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 2022 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 Vasquez and Company, 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,



Erica D. Melton
Director of Finance/City Treasurer

Directory of Officials

Fiscal Year 2021-2022

ELECTED OFFICIALS

CITY COUNCIL

MAYOR

Mary Mendoza

VICE MAYOR

Hector A. Pacheco

COUNCILMEMBERS

Sylvia Ballin

Cindy Montañez

Celeste Rodriguez

Executive Management

City Manager

Nick Kimball

Chief of Police

Fabian Valdez

City Clerk

Julia Fritz

Director of Community Development

Kanika Kith

Director of Finance/City Treasurer

Erica D. Melton

Director of Public Works

Matt Baumgardner

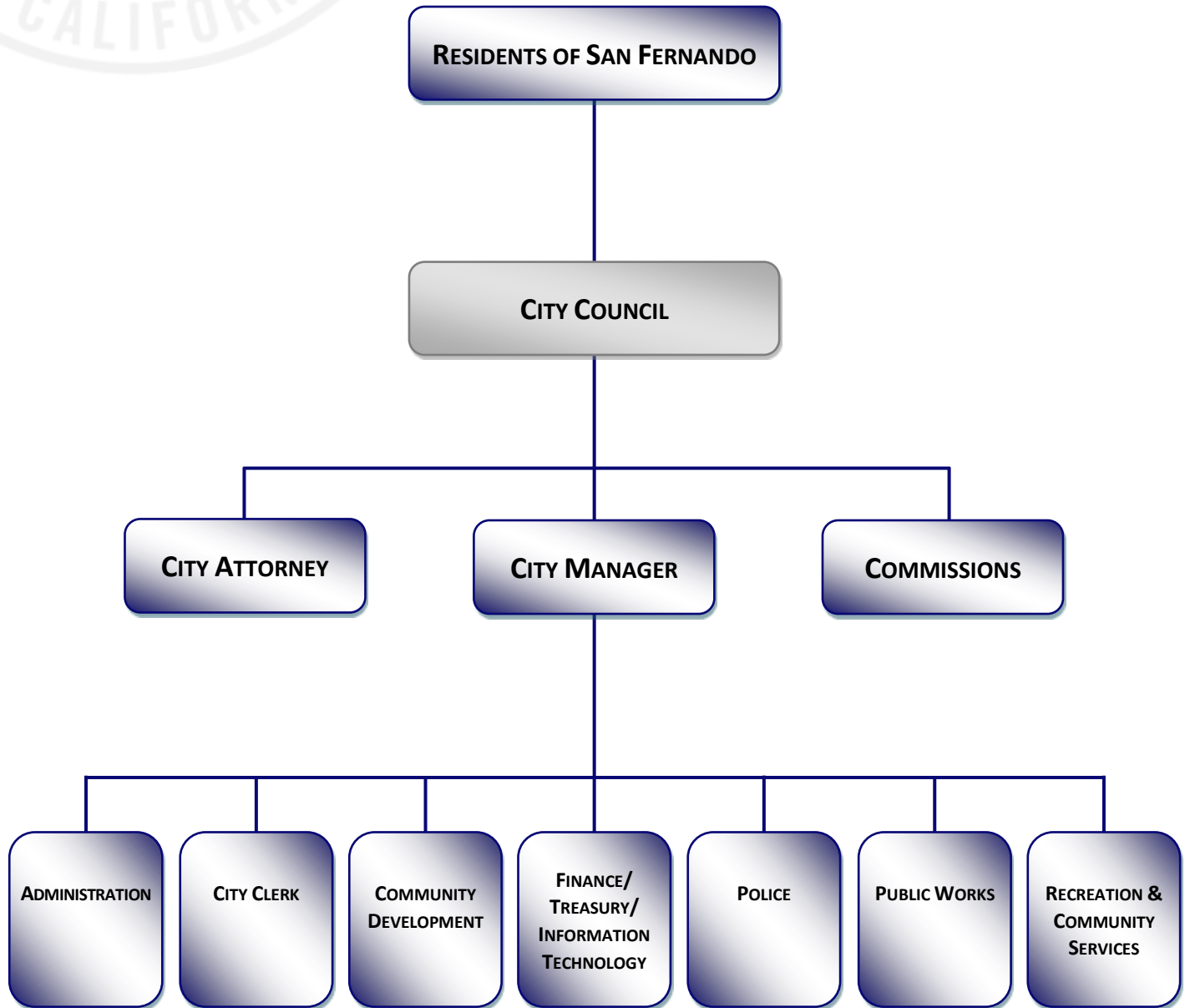
Director of Recreation and
Community Services

Julian J. Venegas

THE CITY OF SAN FERNANDO

Organizational Chart

Fiscal Year 2021-2022



ELECTED
OFFICIAL



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of San Fernando
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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FRESNO
PHOENIX
LAS VEGAS
MANILA, PH

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council
of the City of San Fernando
City of San Fernando, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Fernando, California (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Fernando, California, as of June 30, 2022, 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in Notes 1 and 6, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 87, Leases, during the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 through 26 and the required supplementary information on pages 74 through 80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Vasquez & Company LLP

Glendale, California

December 30, 2022

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, 2022. 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 - xviii, and the City's financial statements beginning on page 27.

FINANCIAL HIGHLIGHTS

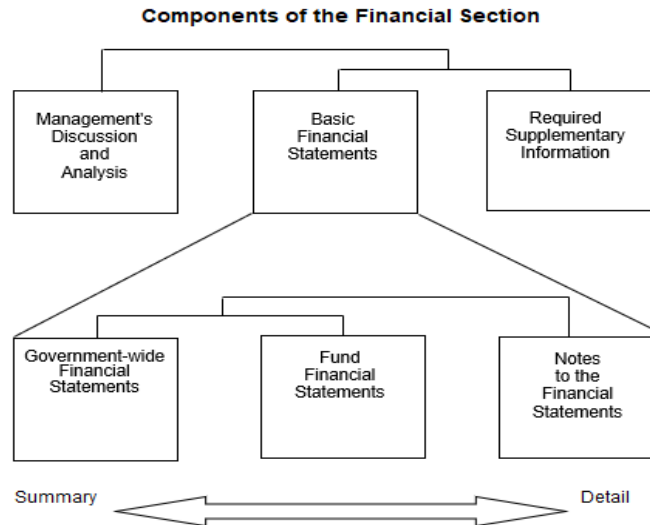
The following are some key financial highlights for the fiscal year ending June 30, 2022:

- ↓ The City's total net position decreased from \$11,778,827 as of June 30, 2021 to \$8,536,972 as of June 30, 2022 for a total decrease of \$3,241,855, or 27.52%. Additional information on the decrease in net position is discussed in more detail in the Government-wide Financial Analysis beginning on page 9.
- ↓ The City's total unrestricted net position decreased from (\$68,843,605) at June 30, 2021 to (\$78,308,995) at June 30, 2022 for a total deficit increase of \$9,465,390, or 13.75%.
- ↑ The City's total fund balances for governmental funds increased from \$31,908,532 as of June 30, 2021 to \$38,988,546 as of June 30, 2022 for a total increase of \$7,080,014, or 22.19%.
- ↑ The total fund balance for the General Fund increased from \$7,759,469 as of June 30, 2021 to \$10,231,041 as of June 30, 2022 for a total increase of \$2,471,572 or 31.85%. Fund balance is classified per GASB Statement No. 54 as Nonspendable: \$7,384 and Unassigned: \$10,223,657. 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 \$24,149,063 as of June 30, 2021 to \$28,757,505 as of June 30, 2022 for a total increase of \$4,608,442, or 19.08%.

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, deferred inflows/outflows of resources and all related current liabilities and long-term obligations. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources 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.

Government-wide Financial Statements (Continued)

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 27 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 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 84-125.

Fund Financial Statements (Continued)

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) sewer operations, 3) compressed natural gas (CNG) fueling station operations, and 4) refuse operations.
- *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.

Fund Financial Statements (Continued)

The basic proprietary fund financial statements can be found beginning on page 34 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.

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 39 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 74 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 84 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 2021-2022, the City's net position decreased from \$11,778,827 as of June 30, 2021 to \$8,536,972 as of June 30, 2022 for a total decrease of \$3,241,855 or 27.52%.

Total assets increased by \$17,769,480 or 15.87% due primarily to increased Cash and Investments and Taxes in the General Fund. The increase in cash in the General Fund is attributable to economic recovery following removal of COVID-19 restrictions with notable increases in Sales and Use Taxes, Other Taxes and Business License Taxes. In November 2020, the voters of San Fernando agreed to keep taxes local by approving an increase in local sales tax rate (Measure SF) from 0.50% to 0.75%. Fiscal Year 2021-2022 includes the first full year of Measure SF proceeds.

The increase in assets was offset by an increase in liabilities of \$26,009,418 due to significant increases in the City's long-term liabilities; refer to Note 7. Additional information related to the City's pension benefits/liability and Other Postemployment Benefits (OPEB) benefits/liability can be found in Notes 8 and 9, respectively.

Government-wide Financial Analysis (Continued)

The largest portion of the City's net position, \$54,700,408 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, \$32,145,559 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, 2022, 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 \$78,308,995. This large deficit is the result of long-term liabilities, most notably, pension and OPEB liabilities as detailed in Notes 7, 8 and 9.

The following table summarizes the Statement of Net Position for Governmental and Business-Type Activities for the fiscal year ended June 30, 2022, with comparative totals for the fiscal year ended June 30, 2021.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Current and other assets	\$ 55,513,451	\$ 38,083,144	\$ 11,836,452	\$ 12,489,301	\$ 67,349,903	\$ 50,572,445
Capital assets	<u>47,191,502</u>	<u>45,312,004</u>	<u>15,183,375</u>	<u>16,070,851</u>	<u>62,374,877</u>	<u>61,382,855</u>
Total assets	<u>102,704,953</u>	<u>83,395,148</u>	<u>27,019,827</u>	<u>28,560,152</u>	<u>129,724,780</u>	<u>111,955,300</u>
Deferred Outflows of Resources:	<u>43,586,827</u>	<u>13,451,922</u>	<u>7,453,296</u>	<u>1,743,333</u>	<u>51,040,123</u>	<u>15,195,255</u>
Liabilities:						
Current and other liabilities	12,869,195	4,659,362	1,954,003	1,242,561	14,823,198	5,901,923
Long-term liabilities	<u>104,494,256</u>	<u>89,875,100</u>	<u>16,542,434</u>	<u>14,073,447</u>	<u>121,036,690</u>	<u>103,948,547</u>
Total liabilities	<u>117,363,451</u>	<u>94,534,462</u>	<u>18,496,437</u>	<u>15,316,008</u>	<u>135,859,888</u>	<u>109,850,470</u>
Deferred Inflows of Resources:	<u>30,941,667</u>	<u>4,766,659</u>	<u>5,426,376</u>	<u>754,599</u>	<u>36,368,043</u>	<u>5,521,258</u>
Net position:						
Net Investment in Capital Assets	40,754,134	41,717,958	13,946,274	14,643,543	54,700,408	56,361,501
Restricted	32,145,559	24,260,931	-	-	32,145,559	24,260,931
Unrestricted	<u>(74,913,031)</u>	<u>(68,432,940)</u>	<u>(3,395,964)</u>	<u>(410,665)</u>	<u>(78,308,995)</u>	<u>(68,843,605)</u>
Total net position (deficit)	<u>\$ (2,013,338)</u>	<u>\$ (2,454,051)</u>	<u>\$ 10,550,310</u>	<u>\$ 14,232,878</u>	<u>\$ 8,536,972</u>	<u>\$ 11,778,827</u>

Government-wide Financial Analysis (Continued)

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, 2022, in relation to a year earlier.

The City's total net position decreased from \$11,778,827 as of June 30, 2021 to \$8,536,972 as of June 30, 2022 for a total decrease of \$3,241,855 or 27.52%. Key elements of this decline are as follows:

- ❖ Net position of governmental activities improved from a deficit of (\$2,454,051) as of June 30, 2021 to (\$2,013,338) as of June 30, 2022; a shift of \$440,713 , or 17.96% due to increased general revenues, specifically sales and use taxes, business licenses taxes and other taxes
- ❖ Net position of business-type activities decreased from \$14,232,878 as of June 30, 2021 to \$10,550,310 as of June 30, 2022; a total decrease of \$3,682,568, or 25.87%. The decrease is due to increased expenses due to fund capital improvements addressing deferred maintenance backlogs.

Government-wide Financial Analysis (Continued)

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2022, with comparative totals for the fiscal year ended June 30, 2021.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenues						
Charges for services	\$ 2,405,111	\$ 2,906,992	\$ 9,240,331	\$ 9,159,410	\$11,645,442	\$12,066,402
Operating grants and contributions	6,089,498	3,927,950	-	-	6,089,498	3,927,950
Capital grants and contributions	7,390,400	5,194,218	-	-	7,390,400	5,194,218
General revenues						
Taxes	25,007,455	23,549,856	-	-	25,007,455	23,549,856
Investment loss and other	20,331	247,001	(425,637)	7,657	(405,306)	254,658
Total revenue	<u>40,912,795</u>	<u>35,826,017</u>	<u>8,814,694</u>	<u>9,167,067</u>	<u>49,727,489</u>	<u>44,993,084</u>
Expenses						
General government	11,508,546	8,331,758	-	-	11,508,546	8,331,758
Public safety	20,651,820	12,449,356	-	-	20,651,820	12,449,356
Community development	3,047,990	1,791,458	-	-	3,047,990	1,791,458
Public works	2,872,863	5,856,079	-	-	2,872,863	5,856,079
Parks and recreation	2,134,123	1,965,303	-	-	2,134,123	1,965,303
Interest and fiscal charges	417,763	100,653	-	-	417,763	100,653
Water	-	-	6,855,816	4,354,894	6,855,816	4,354,894
Sewer	-	-	5,312,532	3,011,816	5,312,532	3,011,816
CNG	-	-	164,488	95,615	164,488	95,615
Waste disposal	-	-	3,403	5,961	3,403	5,961
Total expenses	<u>40,633,105</u>	<u>30,494,607</u>	<u>12,336,239</u>	<u>7,468,286</u>	<u>52,969,344</u>	<u>37,962,893</u>
Excess or (Deficiency) before transfers	279,690	5,331,410	(3,521,545)	1,698,781	(3,241,855)	7,030,191
Transfers In (Out)	161,023	180,000	(161,023)	(180,000)	-	-
Change in Net Position	440,713	5,511,410	(3,682,568)	1,518,781	(3,241,855)	7,030,191
Net position – beginning	(2,454,051)	(7,605,461)	14,232,878	12,714,097	11,778,827	5,108,636
Prior Period Adjustment	-	(360,000)	-	-	-	(360,000)
Net position – ending	<u><u>\$(2,013,338)</u></u>	<u><u>\$(2,454,051)</u></u>	<u><u>\$10,550,310</u></u>	<u><u>\$14,232,878</u></u>	<u><u>\$ 8,536,972</u></u>	<u><u>\$11,778,827</u></u>

Government-wide Financial Analysis (Continued)

Governmental Activities

- ❖ The City's net position from governmental activities improved from a deficit of (\$2,454,051) as of June 30, 2021 to (\$2,013,338) as of June 30, 2022; a total increase of \$440,713, or 17.96%. The increase is due to general revenues, specifically in sales and use taxes, business license taxes and other taxes.

Revenue Highlights

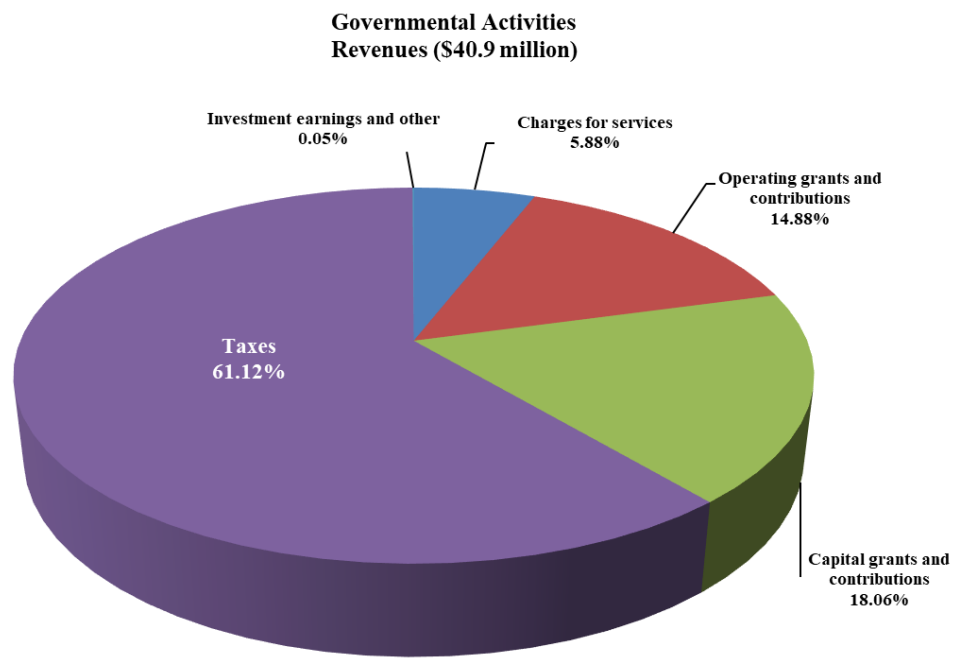
Total governmental activities revenues were \$40,912,795; an increase of \$5,086,778 or 14.20%, from 2021. The largest component of governmental activities' revenue are taxes, which generate \$25,007,455 making up 61.12% of total governmental activities' revenues. This is consistent with the nature and 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 (\$10.2 million), Sales and Use Tax (\$11.9 million), and Business License Tax (\$1.7 million). Some key changes in revenues include:

- Property tax revenue decreased by \$529,596 or 4.94% compared to the prior year. Property tax revenue had shown a steady growth over the last few years, which were stunted slightly with residential home sales experiencing slowdowns due to higher interest rates and recessionary economic concerns.
- Sales and Use tax revenue increased by \$1,726,075 or 16.94% 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% and FY 2021-2022 was the first full year the Measure SF proceeds were reported.
- Business license revenue is also very sensitive to economic conditions and due to the COVID-19 pandemic and restrictions many businesses suffered. FY 2021-2022 demonstrated business recovery with an increase \$104,199 or (6.28%) compared to the prior year.

Government-wide Financial Analysis (Continued)

Governmental Activities (Continued)

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 61.12% of total governmental revenue. Charges for services make up 5.88% of revenues while operating and capital grants and contributions amount to 32.94% of total governmental revenues.

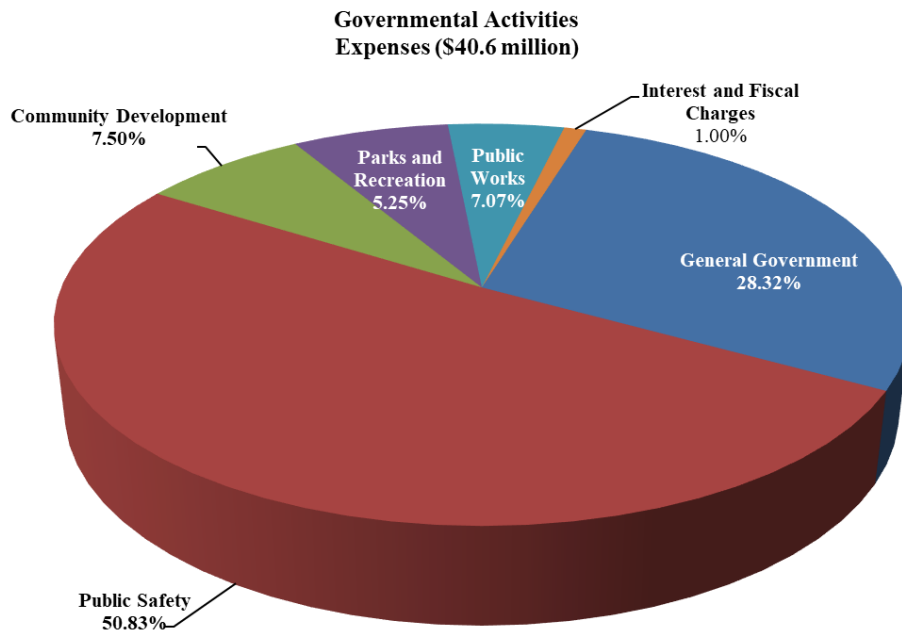


Government-wide Financial Analysis (Continued)

Governmental Activities (Continued)

Expense Highlights

Functional expenses for fiscal year 2021-2022 governmental activities totaled \$40,633,105, an increase of \$10,138,498 or 33.25% 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 \$20.7 million (50.83%) and Public Works activities accounted for approximately \$2.9 million (7.07%) 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 \$11.5 million (28.32%) of total expenses. Community Development \$3.0 million (7.50%), and Parks and Recreation Services \$2.1 million account for the remaining 13.78% of expenses.



Business-Type Activities

The net position of business-type activities decreased from \$14,232,878 as of June 30, 2021 to \$10,550,310 as of June 30, 2022; a total decrease of \$3,682,568, or 25.87%. A water and sewer rate study was completed in 2019 and new rates were effective on January 1, 2020. While revenue increased 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, these increases were offset by increased expenditures for capital costs to 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 16 shows a comparison of program revenues to expenses to prior year for each of the City's business-type activities.

Government-wide Financial Analysis (Continued)

Business-Type Activities (cont.)

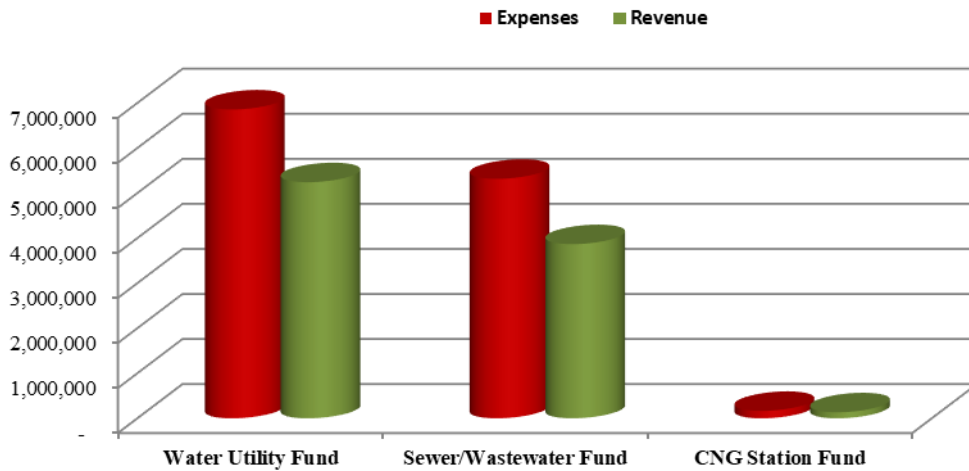
Revenue Highlights

Program revenues for the fiscal year ended June 30, 2022 were approximately \$9.2 million; an increase of \$80,921 or 0.88%, from 2021. Increases are attributable to post-COVID-19 recovery and an updated rate schedule. Overall revenues, however, decreased by \$353,373 or 3.84% as a result of investment losses.

Expense Highlights

Total expenses for the fiscal year ended June 30, 2022 were approximately \$12.3 million, an increase of \$4,867,953 or 65.18%, from 2021. 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.

**Business-type Activities -
Expenses and Program Revenues -
For the year ended June 30, 2022**



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 \$31,908,532 as of June 30, 2021 to \$38,988,546 as of June 30, 2022; a total increase of \$7,080,014 or 22.19%. The City's governmental funds report an *unassigned* fund balance of \$9,905,271, which is a \$ 2,480,612 or 33.41% increase from June 30, 2021.

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) \$7,384 for prepaid items;
- 2) \$29,075,891 restricted for transportation, housing, air pollution, parks and recreation, public safety, community development, parking and retirement.

	2022	2021
Assets:		
Cash and investments	\$ 41,919,444	\$ 28,388,581
Other assets	13,892,409	10,507,887
Total assets	<u>55,811,853</u>	<u>38,896,468</u>
Liabilities:		
Accounts payable	4,733,945	936,644
Other liabilities	7,689,631	5,331,402
Total liabilities	<u>12,423,576</u>	<u>6,268,046</u>
Total deferred inflows of resources	<u>4,399,731</u>	<u>719,890</u>
Fund balances:		
Nonspendable	7,384	234,225
Restricted	29,075,891	24,249,648
Unassigned	<u>9,905,271</u>	<u>7,424,659</u>
Total fund balances	<u>\$ 38,988,546</u>	<u>\$ 31,908,532</u>

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS (Continued)

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 \$7,759,469 as of June 30, 2021 to \$10,231,041 as of June 30, 2022; a total increase of \$2,471,572, or 31.85%. 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 decreased from \$11,743,822 as of June 30, 2021 to \$9,435,544 as of June 30, 2022; a total decrease of \$2,308,278 or 19.66%. 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.

American Rescue Plan Act (ARPA) Funds. The ARPA fund is a special revenue fund used to account for the funds received to replace lost revenues due to COVID-19 pandemic and fund COVID-19 related projects. The City plans to spend the ARPA funds in FY2022/2023.

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 \$2,607,455 as of June 30, 2021 to \$ 7,340,126 as of June 30, 2022. 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 decreased from \$14,091,979 as of June 30, 2021 to \$10,451,853 as of June 30, 2022; a total decrease of \$3,640,126 or 25.83%. The decrease is due to increases in expenditures for deferred maintenance and capital projects.

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 improved slightly from (\$775,234) as of June 30, 2021 to (\$772,661) as of June 30, 2022; for a total increase \$2,573, or 0.33%.

PROPRIETARY FUNDS FINANCIAL ANALYSIS (Continued)

Though a nominal improvement, there remains an increase in claims payable for unresolved liability and workers' compensation claims. The City anticipates continued accumulation of 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 \$23,087,003 in Fiscal Year 2021-2022, compared to the \$21,374,649 final budget; a difference of \$1,712,354, or 8.01%. The difference is predominately due to higher than budgeted sales and use tax, business license tax and other tax revenues offset by unbudgeted investment losses.

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Taxes	\$ 15,291,500	\$ 16,384,774	\$ 18,639,835
Licenses and Permits	275,625	275,625	307,168
Charges for Services	1,378,950	1,378,950	1,371,020
Fines and Forfeitures	464,800	464,800	433,689
Investment Losses	-	-	(630,429)
Intergovernmental	2,988,260	2,827,500	2,926,574
Other	168,000	43,000	39,146
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 20,567,135</u>	<u>\$ 21,374,649</u>	<u>\$ 23,087,003</u>

City of San Fernando, California
Management's Discussion and Analysis
Year Ended June 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Expenditures. Actual General Fund expenditures were \$18,993,672 in Fiscal Year 2021-2022, compared to the \$19,706,596 final budget; a difference of \$712,924 or 3.62%. The variance is a result of continued prudent financial decisions in response to economic restrictions imposed by COVID-19 to maintain core services and contain costs.

	Budgeted Amounts		Actual
	Original	Final	Amounts
EXPENDITURES			
Current:			
General Government:			
City Council	\$ 250,950	\$ 250,950	\$ 193,121
Administration	543,383	527,335	346,189
Personnel	310,695	303,358	301,089
City Attorney	184,920	180,440	157,920
City Clerk	251,626	246,375	227,314
Elections	-	-	1,511
Financial Management	627,957	612,741	485,928
Information Technology	365,513	356,656	276,968
Retirement and Nondepartmental	1,172,160	1,108,286	1,024,065
Public Safety:			
Police	9,322,546	9,335,301	9,317,935
Fire	2,850,000	3,000,000	3,193,147
Community Development	1,144,528	1,158,063	896,980
Public Works	1,208,716	1,238,904	1,182,238
Parks and Recreation	1,334,106	1,320,984	1,333,470
Capital Outlay	175,000	16,586	5,180
Debt Service	29,422	50,617	50,617
Total Expenditures	19,771,522	19,706,596	18,993,672
Excess of Revenues over Expenditures	795,613	1,668,053	4,093,331
OTHER FINANCING SOURCES (USES)			
Transfers In	495,000	473,038	473,040
Transfers Out	(1,290,000)	(2,688,380)	(2,094,799)
Total Other Financing Sources (Uses)	(795,000)	(2,215,342)	(1,621,759)
Net Change in Fund Balances	613	(547,289)	2,471,572
Fund Balance, Beginning of Year	7,759,469	7,759,469	7,759,469
Fund Balance, End of Year	\$ 7,760,082	\$ 7,212,180	\$ 10,231,041

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$47,191,502 as of June 30, 2022. 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, 2022 was \$1,879,498 due to street and other capital improvements completed during the year. Additional information on the City's capital assets can be found in Note 4 to the basic financial statements on pages 54-55 of this report.

Capital Assets (Note 4)
Net of Accumulated Depreciation
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 9,259,980	\$ 1,919,430	\$ 11,179,410
Capital assets being depreciated	106,950,381	41,640,448	148,590,829
Less accumulated depreciation	<u>(69,018,859)</u>	<u>(28,376,503)</u>	<u>(97,395,362)</u>
Net Capital Assets	<u>\$ 47,191,502</u>	<u>\$ 15,183,375</u>	<u>\$ 62,374,877</u>

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.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Debt Administration. Long-term debts for Governmental Activities increased from \$91,813,128 as of June 30, 2021 to \$107,980,955 as of June 30, 2022; a total increase of \$16,167,827 or 17.61%. Total long-term debts in governmental and business activities consist of the following:

Long-Term Liabilities (Note 7)					
June 30, 2022					
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,380,000	\$ -	\$ (95,000)	\$ 2,285,000	\$ 95,000
Premium	102,800	-	(5,711)	97,089	5,711
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	1,111,246	-	(547,439)	563,807	563,807
Pension Obligation Bonds					
Series 2021A	-	31,780,000	(1,240,000)	30,540,000	1,030,000
Claims Payable	3,253,932	198,758	-	3,452,690	842,082
Insurance Assessment Payable	486,342	-	(81,057)	405,285	81,057
Compensated Absences	1,455,963	793,601	(690,260)	1,559,304	869,042
Net Pension Liability (Note 8)	39,436,857	-	(11,499,058)	27,937,799	-
Net OPEB Liability (Note 9)	43,585,988	-	(2,446,007)	41,139,981	-
Total	<u>\$ 91,813,128</u>	<u>\$ 32,772,359</u>	<u>\$ (16,604,532)</u>	<u>\$ 107,980,955</u>	<u>\$ 3,486,699</u>
Business-type Activities:					
Compensated Absences	\$ 217,558	\$ 118,583	\$ (103,142)	\$ 232,999	\$ 129,857
Net Pension Liability (Note 8)	6,209,658	-	(1,297,719)	4,911,939	-
Net OPEB Liability (Note 9)	6,512,849	-	(365,496)	6,147,353	-
Loan Payable from Direct Borrowing:					
Radio Equipment Purchase	202,308	-	(99,672)	102,636	102,636
2020 Installment Sale Agreement	1,225,000	-	(125,000)	1,100,000	130,000
Pension Obligation Bonds					
Series 2021B	-	4,745,000	(185,000)	4,560,000	150,000
Total	<u>\$ 14,367,373</u>	<u>\$ 4,863,583</u>	<u>\$ (2,176,029)</u>	<u>\$ 17,054,927</u>	<u>\$ 512,493</u>

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 2021-2022 was \$2,253,723,303. 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 \$ 563,430,826. Therefore, the legal debt margin is \$84,514,624, 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 7 to the basic financial statements on pages 57-61 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 operates.

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 first quarter 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.

As vaccinations became widely available in the second quarter of 2021, economic restrictions were relaxed and many businesses were allowed to reopen under masking and social distancing requirements. However, by the end of the third quarter, a new, more contagious COVID-19 variant (i.e. the Omicron variant) drastically increased infection rates throughout the United States going into the holiday months. Fortunately, the widespread vaccination campaign provided some protection and healthcare systems were not over-stressed. Consequently, another round of economic restrictions and business closures was avoided.

As we close 2022, most mask mandates have been lifted and Health Order restrictions have transitioned to recommendations and best practices. That said, a number of international factors, such as Russia's invasion of Ukraine and a surge of COVID cases re-emerging in China, have exacerbated supply chain interruptions and added to significant inflationary pressures.

The following analysis of the federal, state and local economic outlooks provide context for the City's revenue projections.

Federal Economy

The federal government enacted demand-stimulating fiscal and monetary policy throughout the COVID-19 pandemic by returning tax dollars to consumers in an attempt to support economic recovery. These expansionary policies have been the principal cause of increased Gross Domestic Product (GDP) and recent significant price inflation. According to the Bureau of Economic Analysis, GDP, which is a measure of output for the US economy, increased by 5.7% in 2021. GDP is expected to grow by approximately 3.6% in 2022 and 2.4% in 2023. The overall size of the nation's economy in terms of GDP exceeded pre-pandemic levels in the second quarter of 2021, marking a substantial recovery from the 2020 pandemic-induced recession.

The national unemployment rate, which began 2021 at around 6.3 percent, improved significantly during the year falling to 3.9 percent in December and is close to the pre-pandemic 50-year low of 3.5 percent. However, job vacancies are still historically high due primarily to the reduced size of the labor force. Although the U.S. labor market has been experiencing a steady decline in the labor force participation rate since its peak in the late 1990s/early 2000s, the Great Resignation during COVID-19 saw a mass exodus of many of the most experienced employees from the labor force for good.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (Continued)

Consequently, the labor force participation rate is near the lowest it has been since 1977. The labor force participation rate will be a key metric to watch going forward and will be an important determinant of overall economic performance and future changes in the economy.

U.S. consumer spending, encouraged by multiple rounds of U.S. government stimulus checks and supplemental unemployment benefits, remained strong in 2021, particularly during the first half of the year. According to the Bureau of Economic Analysis, personal consumption in the United States increased by 11.4 percent in the first quarter, 12.0 percent in the second quarter, and a 1.7 percent annualized rise in the third quarter.

The Federal Reserve has announced that it is planning to significantly reduce the rate of its monthly bond purchasing as well as to raise interest rates throughout 2022. This change in Fed policy is designed to apply downward pressure on inflation. However, care must be taken not to tighten monetary policy in a way that will disrupt the ongoing economic recovery.

In summary, the national economy is in a delicate stage. While fundamental indicators such as GDP and the employment rate are strong, increasing CPI is eroding consumer spending and stock market volatility is impacting many American's personal wealth. However, it is expected that federal stimulus funding will keep the U.S. from sliding into a recession over the next fiscal year.

State Economy

While California has significantly recovered from the pandemic-induced downturn, significant challenges remain. The pandemic is still negatively affecting the state's economy, particularly in industries that rely on high degrees of in-person interaction, and continuing to inject uncertainty into the recovery process. Throughout the pandemic, California has experienced its first recorded decline in population since recording began over 100 years ago. In addition, business headquarters have left the state at a record pace during the pandemic. Furthermore, the pandemic significantly impacted California's housing market.

Home prices increased dramatically throughout California during the pandemic. California's housing market remains significantly more expensive compared to housing markets throughout much of the United States. California's continued recovery in the years to come will depend on a variety of factors including national and state economic policy and new developments related to the pandemic. Additionally, the housing market, relocation of businesses to other states, and relatively high degree of income inequality, pose continuing challenges for the state.

California has long faced a number of challenges that have been exacerbated by the pandemic. Ongoing challenges that have been amplified by the pandemic include a declining population, increasing housing costs, and business headquarter exits to other states. The pandemic has served to accelerate trends that may result in significant negative consequences for California. State policymakers will need to take timely and effective steps to address these challenges and reverse existing trends before these issues become prohibitively difficult to fix.

While California significantly recovered from the pandemic-induced downturn in 2021, substantial challenges remain. The pandemic is still negatively impacting the state's economy, particularly industries that rely on high degrees of in-person interaction. Additionally, the high cost of housing, relocation of businesses to other states, and relatively high degree of income inequality, represent continuing challenges for California. Despite these challenges, similar to the national economy, it is expected that budget surplus and government spending will keep California from sliding into a recession over the next fiscal year.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (Continued)

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 businesses such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp, and Vallarta. American Fruits and Flavors, which manufactures Monster Energy Drinks, is constructing a 165,000 square foot manufacturing facility in San Fernando that will be home to more than 300 jobs when it is finished. 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. Now that economic restrictions and mask mandates have been lifted, most small businesses have returned to normal operations and events like the San Fernando Outdoor Market are enticing customers back to the City's commercial corridors. The City Council also approved \$400,000 in CDBG funds to provide \$10,000 grants to 40 small businesses in San Fernando. This program is being administered by the Los Angeles County Community Development Authority and funds are expected to be fully disbursed to businesses by the end of June.

Beginning in the fall of 2020, the City worked with the Mall Association to support a new monthly community event, the San Fernando Outdoor Market, to spotlight local businesses and create a sense of pride and hope for the community. Since that first event, there have been more than 12 Outdoor Markets, which have grown to attract more than 70 vendors who often sell out of their products during the 3-hour event. Thousands of customers walk along San Fernando Road to patronize the vendor booths and shops at each event. Events like the San Fernando Outdoor Market serve as catalysts to revitalizing the downtown and a lasting legacy of a strong partnership between the City and the Downtown businesses.

As part of the FY 2021-2022 Adopted Budget, City Council demonstrated a commitment to invest in the local economy by approving funding for an Economic Development Manager position and funding to initiate an Economic Development Master Plan. These investments will work to attract business and make the local economy even more resilient in the long term.

San Fernando's local economy and customer base proved to be resilient throughout the pandemic. The City has a solid base of retail, manufacturing, personal service, and restaurant businesses that provide sales and business taxes that have consistently grown over the past 10 years. With affordable lease rates, easy access to major transit routes (i.e. Interstate 5, 210 Freeway, and the 118 Freeway) and access to regional transit from the Sylmar Metrolink Station, the local economy is expected to remain strong over the next fiscal year. Additionally, new businesses opening locations in San Fernando in the next few years, including Target and American Fruits and Flavors, will provide a boost to the local economy over the long-term.

Budget Outlook

The emphasis of the FY 2022-2023 Adopted Budget is to modernize the City's organizational structure and reimagine how services are provided. Rather than focusing on "recovering," the resources recommended in this Adopted Budget focus on "restructuring" and "re-imagining" services to set up the City for an equitable, sustainable, and resilient future. The flexibility to make these investments is only possible as a result of prudent financial leadership from the City Council and a clear vision laid out in the Strategic Goals 2022-2025.

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 Erica Melton, Director of Finance at emelton@sfcity.org or 117 Macneil Street, San Fernando, California, 91340.

BASIC FINANCIAL STATEMENTS

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City of San Fernando
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 45,031,348	\$ 10,688,497	\$ 55,719,845
Restricted Cash and Investments	793,167	59,088	852,255
Receivables:			
Taxes	3,001,673	-	3,001,673
Accounts	215,390	1,461,052	1,676,442
Interest	118,165	-	118,165
Grants	611,951	-	611,951
Loans Receivable	1,520,187	-	1,520,187
Internal Balances	372,185	(372,185)	-
Prepaid Items	8,214	-	8,214
Inventories	44,527	-	44,527
Lease Receivables	3,796,644	-	3,796,644
Capital Assets, Not Depreciated	9,259,980	1,919,430	11,179,410
Capital Assets, Depreciated, Net	37,931,522	13,263,945	51,195,467
Total Assets	<u>102,704,953</u>	<u>27,019,827</u>	<u>129,724,780</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	4,850,173	724,738	5,574,911
Deferred Outflows Related to Pensions	38,736,654	6,728,558	45,465,212
Total Deferred Outflows of Resources	<u>43,586,827</u>	<u>7,453,296</u>	<u>51,040,123</u>
LIABILITIES			
Accounts Payable	5,066,286	1,248,645	6,314,931
Accrued Liabilities	615,049	79,772	694,821
Interest Payable	16,650	-	16,650
Deposits Payable	422,271	109,452	531,723
Unearned Revenue	3,019,170	3,641	3,022,811
Due to Other Agencies	243,070	-	243,070
Long-Term Liabilities:			
Due Within One Year	3,486,699	512,493	3,999,192
Due in More Than One Year	104,494,256	16,542,434	121,036,690
Total Liabilities	<u>117,363,451</u>	<u>18,496,437</u>	<u>135,859,888</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	6,072,284	907,353	6,979,637
Deferred Inflows Related to Pensions	21,129,866	4,519,023	25,648,889
Deferred Inflows Related to Leases	3,739,517	-	3,739,517
Total Deferred Inflows of Resources	<u>30,941,667</u>	<u>5,426,376</u>	<u>36,368,043</u>
NET POSITION			
Net Investment in Capital Assets	40,754,134	13,946,274	54,700,408
Restricted for:			
Transportation	15,968,317	-	15,968,317
Housing	3,436,179	-	3,436,179
Air Pollution	149,998	-	149,998
Parks and Recreation	2	-	2
Public Safety	671,010	-	671,010
Retirement	9,435,544	-	9,435,544
Community Development	2,155,153	-	2,155,153
Parking	329,356	-	329,356
Unrestricted	(74,913,031)	(3,395,964)	(78,308,995)
Total Net Position (Deficit)	<u>\$ (2,013,338)</u>	<u>\$ 10,550,310</u>	<u>\$ 8,536,972</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 11,508,546	\$ 110,542	\$ -	\$ -
Public Safety	20,651,820	1,036,628	2,675,419	-
Community Development	3,047,990	498,787	796,998	-
Public Works	2,872,863	490,496	2,221,027	7,367,663
Parks and Recreation	2,134,123	268,658	396,054	22,737
Interest Expense	417,763	-	-	-
Total Governmental Activities	40,633,105	2,405,111	6,089,498	7,390,400
Business-type Activities:				
Water	6,855,816	5,234,121	-	-
Sewer	5,312,532	3,866,293	-	-
Compressed Natural Gas	164,488	133,450	-	-
Waste Disposal	3,403	6,467	-	-
Total Business-type Activities	12,336,239	9,240,331	-	-
Total Primary Government	\$ 52,969,344	\$ 11,645,442	\$ 6,089,498	\$ 7,390,400

General Revenues:

Taxes:

Property

Sales and Use

Business License Taxes

Franchise

Other Taxes

Investment Loss

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position (Deficit) - Beginning of Year

Net Position (Deficit) - End of Year

City of San Fernando
Statement of Activities (Continued)
Year Ended June 30, 2022

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Functions/Programs
			Governmental Activities:
\$ (11,398,004)	\$ -	\$ (11,398,004)	General Government
(16,939,773)	-	(16,939,773)	Public Safety
(1,752,205)	-	(1,752,205)	Community Development
7,206,323	-	7,206,323	Public Works
(1,446,674)	-	(1,446,674)	Parks and Recreation
(417,763)	-	(417,763)	Interest Expense
(24,748,096)	-	(24,748,096)	Total Governmental Activities
			Business-type Activities:
-	(1,621,695)	(1,621,695)	Water
-	(1,446,239)	(1,446,239)	Sewer
-	(31,038)	(31,038)	Compressed Natural Gas
-	3,064	3,064	Waste Disposal
-	(3,095,908)	(3,095,908)	Total Business-type Activities
(24,748,096)	(3,095,908)	(27,844,004)	Total Primary Government
			General Revenues:
			Taxes:
10,196,178	-	10,196,178	Property
11,912,920	-	11,912,920	Sales and Use
1,669,084	-	1,669,084	Business License Taxes
775,995	-	775,995	Franchise
453,278	-	453,278	Other Taxes
(167,636)	(425,637)	(593,273)	Investment Loss
187,967	-	187,967	Other
161,023	(161,023)	-	Transfers
25,188,809	(586,660)	24,602,149	Total General Revenues and Transfers
440,713	(3,682,568)	(3,241,855)	Change in Net Position
(2,454,051)	14,232,878	11,778,827	Net Position (Deficit) - Beginning of Year
<u>\$ (2,013,338)</u>	<u>\$ 10,550,310</u>	<u>\$ 8,536,972</u>	Net Position (Deficit) - End of Year

The accompanying notes are an integral part of this statement.

City of San Fernando
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Retirement Tax	American Rescue Plan Act Fund	Capital Grants	Other Governmental Funds	Total
ASSETS						
Cash and Investments	\$12,746,850	\$ 5,154,887	\$ 2,667,342	\$ 9,793,956	\$11,556,409	\$41,919,444
Restricted Cash and Investments	-	367,921	-	-	425,246	793,167
Receivables:						
Taxes	2,639,334	147,888	-	-	214,451	3,001,673
Accounts	132,295	5,955	-	-	9,132	147,382
Interest	118,165	-	-	-	-	118,165
Grants	-	-	-	126,211	485,740	611,951
Leases	3,608,909	-	-	-	187,735	3,796,644
Due From Other Funds	134,507	-	-	-	-	134,507
Loans Receivable	-	-	-	-	1,520,187	1,520,187
Advances to Other Funds	-	3,760,519	-	-	-	3,760,519
Prepaid Items	7,384	-	-	-	830	8,214
Total Assets	<u>\$19,387,444</u>	<u>\$ 9,437,170</u>	<u>\$ 2,667,342</u>	<u>\$ 9,920,167</u>	<u>\$14,399,730</u>	<u>\$55,811,853</u>
LIABILITIES						
Accounts Payable	\$ 779,085	\$ 1,626	\$ 645	\$ 2,579,501	\$ 1,373,088	\$ 4,733,945
Accrued Liabilities	542,654	-	-	38	38,044	580,736
Deposits	406,419	-	-	-	15,852	422,271
Due to Other Funds	-	-	-	-	134,507	134,507
Unearned Revenue	-	-	2,659,170	-	360,000	3,019,170
Due to Other Agencies	-	-	-	-	243,070	243,070
Advances From Other Funds	3,289,877	-	-	-	-	3,289,877
Total Liabilities	<u>5,018,035</u>	<u>1,626</u>	<u>2,659,815</u>	<u>2,579,539</u>	<u>2,164,561</u>	<u>12,423,576</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	3,552,069	-	-	-	187,448	3,739,517
Unavailable Revenues - Grants	586,299	-	-	502	73,413	660,214
Total Deferred Inflows of Resources	<u>4,138,368</u>	<u>-</u>	<u>-</u>	<u>502</u>	<u>260,861</u>	<u>4,399,731</u>
FUND BALANCES						
Nonspendable:						
Prepaid Items	7,384	-	-	-	-	7,384
Restricted For:						
Transportation	-	-	-	7,340,126	5,738,170	13,078,296
Housing	-	-	-	-	3,436,179	3,436,179
Air Pollution	-	-	-	-	141,856	141,856
Parks and Recreation	-	-	-	-	2	2
Public Safety	-	-	7,527	-	598,212	605,739
Retirement	-	9,435,544	-	-	-	9,435,544
Community Development	-	-	-	-	2,048,919	2,048,919
Parking	-	-	-	-	329,356	329,356
Unassigned	10,223,657	-	-	-	(318,386)	9,905,271
Total Fund Balances	<u>10,231,041</u>	<u>9,435,544</u>	<u>7,527</u>	<u>7,340,126</u>	<u>11,974,308</u>	<u>38,988,546</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$19,387,444</u>	<u>\$ 9,437,170</u>	<u>\$ 2,667,342</u>	<u>\$ 9,920,167</u>	<u>\$14,399,730</u>	<u>\$55,811,853</u>

See accompanying notes to the basic financial statements.

City of San Fernando
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

Fund Balances for Governmental Funds	\$ 38,988,546
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.	
This amount does not include \$292,082 of Internal Service Fund net capital assets.	
Capital Assets	115,864,605
Accumulated Depreciation	(68,965,185)
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	(27,937,799)
Compensated Absences	(1,559,304)
Other Postemployment Benefits (OPEB) Liability	(41,139,981)
2016 Installment Sale Agreement	(2,285,000)
Premium on 2016 Installment Sale Agreement	(97,089)
Loan Payable - Radio Equipment Purchase (This amount does not include \$64,553 of Internal Service Fund Loan Payable- Radio Equipment Purchase)	(499,254)
Loan Payable - Series 2021 A	(30,540,000)
Interest Payable on Long-term Debt	(16,650)
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	38,736,654
Deferred Inflows Related to Pensions	(21,129,866)
Deferred Outflows Related to OPEB	4,850,173
Deferred Inflows Related to OPEB	(6,072,284)
Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	660,214
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.	(871,118)
Net Position of Governmental Activities	<u>\$ (2,013,338)</u>

City of San Fernando
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	General Fund	Retirement Tax	American Rescue Plan Act Fund	Capital Grants	Other Governmental Funds	Total
REVENUES						
Taxes	\$18,639,835	\$ 4,146,976	\$ -	\$ -	\$ 2,724,800	\$25,511,611
Licenses and Permits	307,168	-	-	-	-	307,168
Charges for Services	1,371,020	-	-	-	333,465	1,704,485
Fines and Forfeitures	433,689	-	-	-	3,288	436,977
Investment Losses	(630,429)	(129,024)	-	-	(243,599)	(1,003,052)
Intergovernmental	2,926,574	-	137,122	8,212,239	2,552,427	13,828,362
Other	39,146	147,774	-	-	-	186,920
Total Revenues	23,087,003	4,165,726	137,122	8,212,239	5,370,381	40,972,471
EXPENDITURES						
Current:						
General Government	3,014,105	35,455,155	47,149	-	9,111	38,525,520
Public Safety	12,511,082	1,093,818	394	92,441	63,784	13,761,519
Community Development	896,980	61,314	-	-	194,445	1,152,739
Public Works	1,182,238	58,370	45,675	-	1,854,669	3,140,952
Parks and Recreation	1,333,470	83,134	-	252,596	529,623	2,198,823
Capital Outlay	5,180	-	36,377	3,040,860	1,297,455	4,379,872
Debt Service:						
Principal	-	1,240,000	-	484,761	95,000	1,819,761
Interest and Fiscal Charges	50,617	262,213	-	29,422	85,038	427,290
Total Expenditures	18,993,672	38,254,004	129,595	3,900,080	4,129,125	65,406,476
Excess of Revenues Over (Under)						
Expenditures	4,093,331	(34,088,278)	7,527	4,312,159	1,241,256	(24,434,005)
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	31,780,000	-	-	-	31,780,000
Transfers In	473,040	-	-	420,512	1,966,050	2,859,602
Transfers Out	(2,094,799)	-	-	-	(1,030,784)	(3,125,583)
Total Other Financing Sources (Uses)	(1,621,759)	31,780,000	-	420,512	935,266	31,514,019
Net Change in Fund Balances	2,471,572	(2,308,278)	7,527	4,732,671	2,176,522	7,080,014
Fund Balances, Beginning	7,759,469	11,743,822	-	2,607,455	9,797,786	31,908,532
Fund Balances, End of Year	<u>\$10,231,041</u>	<u>\$ 9,435,544</u>	<u>\$ 7,527</u>	<u>\$ 7,340,126</u>	<u>\$11,974,308</u>	<u>\$38,988,546</u>

See accompanying notes to the basic financial statements.

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 7,080,014

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	4,531,760
Depreciation Expense	(2,750,630)

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	95,000
Amortization of Premium on Installment Sale Agreement	5,711
Principal payment on Radio Equipment Loan (This amount does not include \$64,553 of Internal Service Fund Radio Equipment Loan)	484,761
Principal payment on Series 2021 A Loan	1,240,000
Proceeds of debt issuance - Series 2021 A Loan	(31,780,000)

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	(103,341)
Net Pension Liability	11,499,058
Other Post-employment Benefit Liability	2,446,007
Accrued Interest Payable	7,620

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	31,346,534
Deferred Inflows Related to Pensions	(20,658,583)
Deferred Outflows Related to OPEB	(1,211,629)
Deferred Inflows Related to OPEB	(1,776,908)

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. (59,676)

The change in net position of the internal service fund is reported with governmental activities. 45,015

Change in Net Position of Governmental Activities \$ 440,713

City of San Fernando
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
ASSETS					
Current Assets:					
Cash and Investments	\$ 6,642,495	\$ 3,824,497	\$ 221,505	\$ 10,688,497	\$ 3,111,904
Restricted Cash and Investments	45,549	13,539	-	59,088	-
Customer Accounts Receivable, Net	800,081	659,547	1,424	1,461,052	68,008
Inventory	-	-	-	-	44,527
Total Current Assets	<u>7,488,125</u>	<u>4,497,583</u>	<u>222,929</u>	<u>12,208,637</u>	<u>3,224,439</u>
Noncurrent Assets:					
Advances to Other Funds	-	441,212	-	441,212	-
Capital Assets:					
Land	981,168	-	-	981,168	-
Water Rights	624,659	-	-	624,659	-
Construction in Progress	284,365	29,238	-	313,603	-
Buildings and Plant	5,630,795	118,500	-	5,749,295	-
Infrastructure	17,752,762	7,885,360	-	25,638,122	-
Land Improvements	1,676,392	-	-	1,676,392	-
Equipment	7,352,013	1,170,968	53,657	8,576,638	193,714
Vehicles	-	-	-	-	152,042
Less: Accumulated Depreciation	<u>(23,040,638)</u>	<u>(5,284,715)</u>	<u>(51,149)</u>	<u>(28,376,502)</u>	<u>(53,674)</u>
Total Noncurrent Assets	<u>11,261,516</u>	<u>4,360,563</u>	<u>2,508</u>	<u>15,624,587</u>	<u>292,082</u>
Total Assets	<u>18,749,641</u>	<u>8,858,146</u>	<u>225,437</u>	<u>27,833,224</u>	<u>3,516,521</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Actuarial Amounts	445,992	278,746	-	724,738	-
Pension Actuarial Amounts	4,261,420	2,467,138	-	6,728,558	-
Total Deferred Outflows of Resources	<u>4,707,412</u>	<u>2,745,884</u>	<u>-</u>	<u>7,453,296</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	745,309	476,810	26,526	1,248,645	332,341
Accrued Liabilities	53,153	26,617	2	79,772	34,313
Current Portion of Insurance Payable	-	-	-	-	81,057
Current Portion of Claims Payable	-	-	-	-	842,082
Current Portion of Compensated Absences	79,912	49,945	-	129,857	-
Current Portion of Installment Sale Agreement	130,000	-	-	130,000	-
Current Portion of Pension Obligation Bonds	109,500	40,500	-	150,000	-
Current Portion of Lease-Purchase Agreement	56,180	46,456	-	102,636	64,553
Unearned Revenue	-	3,641	-	3,641	-
Customer Deposits	109,452	-	-	109,452	-
Total Current Liabilities	<u>1,283,506</u>	<u>643,969</u>	<u>26,528</u>	<u>1,954,003</u>	<u>1,354,346</u>
Noncurrent Liabilities:					
Advances From other Funds	676,533	235,321	-	911,854	-
Insurance Assessment Payable	-	-	-	-	324,228
Claims Payable	-	-	-	-	2,610,608
Compensated Absences	63,472	39,670	-	103,142	-
Installment Sale Agreement	970,000	-	-	970,000	-
Pension Obligation Bonds	3,203,438	1,206,562	-	4,410,000	-
Net OPEB Liability	3,782,986	2,364,367	-	6,147,353	-
Net Pension Liability	3,110,895	1,801,044	-	4,911,939	-
Total Noncurrent Liabilities	<u>11,807,324</u>	<u>5,646,964</u>	<u>-</u>	<u>17,454,288</u>	<u>2,934,836</u>
Total Liabilities	<u>13,090,830</u>	<u>6,290,933</u>	<u>26,528</u>	<u>19,408,291</u>	<u>4,289,182</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB Actuarial Amounts	558,371	348,982	-	907,353	-
Pension Actuarial Amounts	2,862,048	1,656,975	-	4,519,023	-
Total Deferred Inflows of Resources	<u>3,420,419</u>	<u>2,005,957</u>	<u>-</u>	<u>5,426,376</u>	<u>-</u>
NET POSITION					
Net Investment In Capital Assets	10,070,871	3,872,895	2,508	13,946,274	227,529
Unrestricted	<u>(3,125,067)</u>	<u>(565,755)</u>	<u>196,401</u>	<u>(3,494,421)</u>	<u>(1,000,190)</u>
Total Net Position	<u>\$ 6,945,804</u>	<u>\$ 3,307,140</u>	<u>\$ 198,909</u>	<u>10,451,853</u>	<u>\$ (772,661)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				98,457	
Net Position of Business-type Activities				<u>\$ 10,550,310</u>	

See accompanying notes to the basic financial statements.

City of San Fernando
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
OPERATING REVENUES					
Charges for Services	\$ 5,221,432	\$ 3,866,293	\$ 130,516	\$ 9,218,241	\$ 2,998,123
Other	12,689	-	9,401	22,090	942,085
Total Operating Revenues	5,234,121	3,866,293	139,917	9,240,331	3,940,208
OPERATING EXPENSES					
Contractual Services	54,893	938,478	-	993,371	-
Maintenance and Operations	5,999,847	4,119,767	165,261	10,284,875	572,023
Administration and General	-	-	-	-	3,628,055
Depreciation	752,986	231,328	2,630	986,944	53,674
Total Operating Expenses	6,807,726	5,289,573	167,891	12,265,190	4,253,752
Operating Loss	(1,573,605)	(1,423,280)	(27,974)	(3,024,859)	(313,544)
NONOPERATING REVENUES (EXPENSES)					
Interest Income	54,302	42,944	1,946	99,192	21,352
Investment Losses	(286,244)	(228,083)	(10,502)	(524,829)	(132,239)
Interest Expense	(26,869)	(1,738)	-	(28,607)	-
Total Nonoperating Revenues (Expenses)	(258,811)	(186,877)	(8,556)	(454,244)	(110,887)
Income (Loss) Before Transfers	(1,832,416)	(1,610,157)	(36,530)	(3,479,103)	(424,431)
Transfers In	163,673	93,559	-	257,232	427,004
Transfers Out	(309,930)	(108,325)	-	(418,255)	-
Change in Net Position	(1,978,673)	(1,624,923)	(36,530)	(3,640,126)	2,573
Net Position, Beginning of Year	8,924,477	4,932,063	235,439		(775,234)
Net Position, End of Year	\$ 6,945,804	\$ 3,307,140	\$ 198,909		\$ (772,661)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(42,442)	
Change in Net Position of Business-type Activities				\$ (3,682,568)	

See accompanying notes to the basic financial statements.

City of San Fernando
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 5,253,676	\$ 3,940,781	\$ 129,092	\$ 9,323,549	\$ 2,967,596
Payments to Suppliers and Contractors	(5,625,996)	(5,057,949)	(167,736)	(10,851,681)	(2,561,620)
Payments to Employees	(1,772,605)	(913,355)	-	(2,685,960)	(1,532,701)
Claims Paid	-	-	-	-	198,758
Other Operating Income	12,689	-	9,401	22,090	942,085
Net Cash Flows from Operating Activities	(2,132,236)	(2,030,523)	(29,243)	(4,192,002)	14,118
Cash Flows from Noncapital Financing Activities					
Loans from (to) Other Funds	(132,590)	187,978	-	55,388	-
Interest Expense Paid on Advances	(26,869)	(1,738)	-	(28,607)	-
Transfers from Other Funds	163,673	93,559	-	257,232	427,004
Transfers to Other Funds	(309,930)	(108,325)	-	(418,255)	-
Net Cash Flows from Noncapital Financing Activities	(305,716)	171,474	-	(134,242)	427,004
Cash Flows from Capital Financing Activities					
Debt Proceeds	3,312,938	1,432,062	-	4,745,000	-
Payments on Long-term Debt	(179,565)	(230,107)	-	(409,672)	(62,678)
Acquisition of Capital Assets	(66,967)	(32,501)	-	(99,468)	(152,042)
Net Cash Flows from Capital Financing Activities	3,066,406	1,169,454	-	4,235,860	(214,720)
Cash Flows from Investing Activities					
Interest Paid	(231,942)	(185,139)	(8,556)	(425,637)	(110,887)
Net Increase (Decrease) in Cash and Cash Equivalents	396,512	(874,734)	(37,799)	(516,021)	115,515
Cash and Cash Equivalents - Beginning of Year	6,291,532	4,712,770	259,304	11,263,606	2,996,389
Cash and Cash Equivalents - End of Year	<u>\$ 6,688,044</u>	<u>\$ 3,838,036</u>	<u>\$ 221,505</u>	<u>\$ 10,747,585</u>	<u>\$ 3,111,904</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities:					
Operating Loss	\$ (1,573,605)	\$ (1,423,280)	\$ (27,974)	\$ (3,024,859)	\$ (313,544)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:					
Depreciation	752,986	231,328	2,630	986,944	53,674
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(30,425)	70,847	(1,424)	38,998	(30,527)
(Increase) Decrease in Deferred Outflows - OPEB	20,300	(145,520)	-	(125,220)	-
Increase in Deferred Outflows - Pensions	(3,498,877)	(2,085,866)	-	(5,584,743)	-
Increase in Inventory	-	-	-	-	(4,001)
Increase (Decrease) in Accounts Payable	410,301	(8,820)	(2,475)	399,006	189,247
Increase in Accrued Liabilities	18,443	9,116	-	27,559	1,568
Increase in Unearned Revenues	-	3,641	-	3,641	-
Increase in Compensated Absences	9,502	5,939	-	15,441	-
Decrease in Net OPEB Liability	(224,921)	(140,575)	-	(365,496)	-
Decrease in Net Pension Liability	(1,028,877)	(268,842)	-	(1,297,719)	-
Increase in Deferred Inflows - OPEB	163,394	102,121	-	265,515	-
Increase in Deferred Inflows - Pensions	2,786,874	1,619,388	-	4,406,262	-
Decrease in Insurance Assessments Payable	-	-	-	-	(81,057)
Increase in Claims Payable	-	-	-	-	198,758
Increase in Customer Deposits	62,669	-	-	62,669	-
Net Cash Flows from Operating Activities	<u>\$ (2,132,236)</u>	<u>\$ (2,030,523)</u>	<u>\$ (29,243)</u>	<u>\$ (4,192,002)</u>	<u>\$ 14,118</u>

See accompanying notes to the basic financial statements.

City of San Fernando
Statement of Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 187,239	\$ -
Loans Receivable	-	543,678
Total Assets	<u>187,239</u>	<u>543,678</u>
LIABILITIES		
Accounts Payable	<u>34,307</u>	-
Total Liabilities	<u>34,307</u>	-
NET POSITION		
Restricted for Successor Agency	-	543,678
Restricted for individuals and Organizations	<u>152,932</u>	-
	<u>\$ 152,932</u>	<u>\$ 543,678</u>

City of San Fernando
Statement of Changes In Net Position
Fiduciary Funds
Year Ended June 30, 2022

	Custodial Fund	Successor Agency Private-purpose Trust Fund
ADDITIONS		
Miscellaneous Collected for Others	\$ 150,340	\$ -
Total Additions	150,340	-
DEDUCTIONS		
Recipient Payments	131,842	-
Release of Property Held for Resale	-	468,733
Administrative and Passthrough Costs	-	2,589,525
Total Deductions	131,842	3,058,258
Change in Net Position	18,498	(3,058,258)
Net Position - Beginning of Year	134,434	3,601,936
Net Position - End of Year	\$ 152,932	\$ 543,678

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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 American Rescue Plan Act (ARPA) Special Revenue Fund accounts for the ARPA funds provided by the federal government to cover revenue shortfalls and COVID-19 related costs.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 facilities 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

N. Property Taxes

Property taxes include assessments on both secured and unsecured property. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments which are delinquent if not paid by December 10 and April 10. The County of Los Angeles bills and collects the property taxes and remits them to the City in installments during the year. The City records property taxes as revenue when received from the County, except for property taxes received within 60 days after fiscal year-end, which are accrued at June 30th.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which qualify 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 Leases, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

Unrestricted Net Position

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

R. Net Position Flow Assumption

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

S. Fund Balances

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balances (Continued)

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

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

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

Fund Balance Policy

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

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

T. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City'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.

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, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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

During the fiscal year ended June 30, 2022, the City implemented GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this new accounting standards resulted in recognition of lease receivable and deferred inflows of resources in the City's June 30, 2022 financial statements. See also Notes 6.

2. CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2022:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and Investments	\$ 55,719,845	\$ 187,239	\$ 55,907,084
Restricted Cash and Investments	852,255	-	852,255
Total Cash and Investments	<u>\$ 56,572,100</u>	<u>\$ 187,239</u>	<u>\$ 56,759,339</u>

Cash and investments at June 30, 2022 consisted of the following:

Demand Deposits	\$ 5,093,007
Petty Cash	2,800
Investments	<u>51,663,532</u>
Total Cash and Investments	<u>\$ 56,759,339</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%

2. CASH AND INVESTMENTS

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, 2022 is as follows:

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	
Local Agency Investment Fund	\$ 23,189,490	\$ -	\$ -	23,189,490
Money Market Mutual Funds	16,988			16,988
Certificates of Deposit	496,054	1,730,088	4,035,644	6,261,786
U.S. Treasury Note	-	-	9,412,139	9,412,139
Corporate Medium-term Notes	898,782	510,951	8,364,142	9,773,875
Municipal Bonds	299,892	-	1,857,107	2,156,999
Held by Bond Trustees:				
Money Market Mutual Funds	852,255	-	-	852,255
Total	\$ 25,753,461	\$ 2,241,039	\$ 23,669,032	\$ 51,663,532

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+/AA-/A+/A-/A2	Not Required to be Rated	Unrated
Local Agency Investment Fund	\$ 23,189,490	N/A	\$ -	-	-	\$ 23,189,490
Money Market Mutual Funds	16,988	N/A	-	-	-	16,988
Certificates of Deposit	6,261,786	N/A	-	-	-	6,261,786
U.S. Treasury Note	9,412,139	N/A			9,412,139	-
Corporate Medium-term Notes	9,773,875	AA	911,898	8,861,977	-	-
Municipal Bonds	2,156,999	AA	2,156,999	-	-	-
Held by Bond Trustees:						
Money Market Mutual Funds	852,255	AAA	852,255	-	-	-
Total	\$ 51,663,532		\$ 3,921,152	\$ 8,861,977	\$ 9,412,139	\$ 29,468,264

2. CASH AND INVESTMENTS

Concentration of Credit Risk

At June 30, 2022, 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).

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.

2. CASH AND INVESTMENTS

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, 2022:

- U.S. Treasury Notes of \$9,412,139 are valued using quoted market prices (Level 1 inputs).
- Corporate Medium-term Notes of \$9,773,875 are valued using a matrix pricing model (Level 2 inputs).
- Certificates of Deposit of \$6,261,786 are valued using a matrix pricing model (Level 2 inputs).
- Municipal Bonds of \$2,156,999 are valued using a matrix pricing model (Level 2 inputs).
- LAIF and Money Market Mutual Funds are not measured under the fair value hierarchy.

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Long-term Advances

At June 30, 2022, the City reported the following interfund long-term advances:

		ADVANCES FROM		
		Retirement Tax		
		Fund	Sewer Fund	Total
ADVANCES TO	General Fund	\$ 3,289,877	\$ -	\$ 3,289,877
	Water Fund	235,321	441,212	676,533
	Sewer Fund	235,321	-	235,321
	Total	<u>\$ 3,760,519</u>	<u>\$ 441,212</u>	<u>\$ 4,201,731</u>

- (1) 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 LAIF. As of June 30, 2022, the outstanding balance of the advance is \$441,212.

3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Long-term Advances (Continued)

- (2) 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, 2022, the outstanding balance due from the General Fund, Water Fund, and Sewer Fund are \$3,289,877, \$235,321, and \$235,321, respectively.

Summary of Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 353,040
	Water Enterprise Fund	60,000
	Sewer Enterprise Fund	60,000
Capital Grants Fund	Other Governmental Funds	420,512
Water Enterprise Fund	Other Governmental Funds	163,673
Sewer Enterprise Fund	Other Governmental Funds	93,559
Other Governmental Funds	General Fund	1,767,803
	Water Enterprise Fund	169,926
	Sewer Enterprise Fund	28,321
Internal Service Fund	General Fund	326,996
	Water Enterprise Fund	80,004
	Sewer Enterprise Fund	20,004
		<u>\$ 3,543,838</u>

The transfers to the General Fund from the Other Governmental Funds of \$353,040 were to cover costs for public works projects and cover Police overtime cost. 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 Prop C Fund transferred \$420,512 to Capital Grants Fund for the expenditure reimbursement from MTA. The Operating Grants Fund transferred \$163,673 and \$93,559 to Water Fund and Sewer Fund respectively, for grants received from the California Water and Wastewater Arrearages Payment Program of the State Water Resources Control Board. The General Fund, Water Fund and Sewer Fund transferred \$1,767,803, \$169,926 and \$28,321 respectively, to Other Government Funds for capital project cost. General Fund, Water Fund and Sewer Fund transferred to the Internal Service Fund for the capital asset maintenance and improvements.

4. CAPITAL ASSETS

The following is a summary of capital assets activity for the 2021/22 fiscal year:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in progress	1,299,039	3,607,516	43,680	4,862,875
Total capital assets not depreciated	<u>5,696,144</u>	<u>3,607,516</u>	<u>43,680</u>	<u>9,259,980</u>
Capital assets being depreciated:				
Buildings	30,059,342	-	-	30,059,342
Improvements other than buildings	5,386,707	105,350	-	5,492,057
Machinery and equipment	11,178,210	329,777	149,717	11,358,270
Infrastructure	59,355,873	684,839	-	60,040,712
Total capital assets being depreciated	<u>105,980,132</u>	<u>1,119,966</u>	<u>149,717</u>	<u>106,950,381</u>
Less accumulated depreciation for:				
Buildings	(13,603,498)	(852,946)	-	(14,456,444)
Improvements other than buildings	(4,047,991)	(186,823)	-	(4,234,814)
Machinery and equipment	(8,758,544)	(425,108)	(149,717)	(9,033,935)
Infrastructure	<u>(39,954,239)</u>	<u>(1,339,427)</u>	<u>-</u>	<u>(41,293,666)</u>
Total accumulated depreciation	<u>(66,364,272)</u>	<u>(2,804,304)</u>	<u>(149,717)</u>	<u>(69,018,859)</u>
Net capital assets being depreciated	<u>39,615,860</u>	<u>(1,684,338)</u>	<u>-</u>	<u>37,931,522</u>
Total capital assets	<u>\$ 45,312,004</u>	<u>\$ 1,923,178</u>	<u>\$ 43,680</u>	<u>\$ 47,191,502</u>

4. CAPITAL ASSETS (CONTINUED)

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not depreciated:				
Land	\$ 981,168	\$ -	\$ -	\$ 981,168
Water rights	624,659	-	-	624,659
Construction in progress	220,662	92,941	-	313,603
Total capital assets not depreciated	<u>1,826,489</u>	<u>92,941</u>	<u>-</u>	<u>1,919,430</u>
Capital assets being depreciated:				
Buildings	5,749,295	-	-	5,749,295
Improvements other than buildings	1,676,392	-	-	1,676,392
Machinery and equipment	8,570,111	6,527	-	8,576,638
Infrastructure	25,638,123	-	-	25,638,123
Total capital assets being depreciated	<u>41,633,921</u>	<u>6,527</u>	<u>-</u>	<u>41,640,448</u>
Less accumulated depreciation for:				
Buildings	(3,754,998)	(100,644)	-	(3,855,642)
Improvements other than buildings	(197,351)	(82,360)	-	(279,711)
Machinery and equipment	(7,038,113)	(179,639)	-	(7,217,752)
Infrastructure	(16,399,097)	(624,301)	-	(17,023,398)
Total accumulated depreciation	<u>(27,389,559)</u>	<u>(986,944)</u>	<u>-</u>	<u>(28,376,503)</u>
Net capital assets being depreciated	<u>14,244,362</u>	<u>(980,417)</u>	<u>-</u>	<u>13,263,945</u>
Total capital assets	<u>\$ 16,070,851</u>	<u>\$ (887,476)</u>	<u>\$ -</u>	<u>\$ 15,183,375</u>

Depreciation expense was charged to functions/programs as follows:

Function/Program	Governmental Activities	Business-type Activities
General government	\$ 8,975	\$ -
Public safety	378,581	-
Public works	2,122,578	-
Parks and recreation	88,615	-
Community development	205,555	-
Water	-	752,986
Sewer	-	231,328
Waste disposal	-	2,630
Total depreciation	<u>\$ 2,804,304</u>	<u>\$ 986,944</u>

5. LOANS RECEIVABLE

Loans receivable consists of \$1,270,187 in deferred-payment rehabilitation loans to qualifying low income households in connection with the Community Development Block Grant (CDBG) and First Time Homebuyer Program and a \$250,000 loan to HOME Investment Partnership Programs (HOME). The CDBG loans totaling \$243,070, when collected, are due back to the granting agency and, therefore, are reported as due to other agencies in the financial statements.

6. LEASE RECEIVABLE

On February 17, 2015, the City entered into a 3-year lease contract with a 5-year option period with United States Postal Service Federal Credit Union (USPSFCU). USPSFCU pays the City a monthly fee of \$1,195 in exchange for the use of a 531 square feet space within the City Hall for the administration of its credit union activities, which include banking operations and financial counseling.

The City entered into a 5-year lease contract with Crown Castle NG West LLC (Licensee) with three additional 5-year term periods. Licensee pays the City monthly in exchange of the limited placement of telecommunication facilities on a City-owned utility pole. Monthly payments commenced on May 15, 2017 for \$1,000 and is subject to an annual increase equal to the change in the Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area.

Commencing on August 1, 2017, the City's parking lease agreement with E.B.F. Family, LLC (Fowler) was extended for 20 years with one option to extend for 4 years. Fowler pays the City a monthly fee of \$1,067 in exchange for the use of a City Parking Lot in operating its business.

San Fernando Community Hospital exercised its one of the two additional 5-year extension terms on November 1, 2018. Under the agreement, the Lessee pays the City a monthly rent ranging from \$20,444 to \$49,805 in exchange for the use of City-owned healthcare property in conducting its business.

On December 1, 2019, Volunteers of America of Los Angeles exercised its one 5-year option to extend the original lease agreement with the City to use a property located at 604 South Maclay Avenue in operating its business. Tenant pays the City a monthly rent of \$3,173 subject to annual increase of 3% or proportionate to the increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles-Riverside-Orange County Consolidated Metropolitan Statistical Area, whichever is higher.

At June 30, 2022, using an annual discount rate of 0.371%, the total lease receivable and deferred inflows of resources for the above leases were \$3,796,644 and \$3,739,517, respectively.

7. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2022.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment sale agreement	\$ 2,380,000	\$ -	\$ 95,000	\$ 2,285,000	\$ 95,000
Premium	102,800	-	5,711	97,089	5,711
Loans payable from direct borrowing:					
Radio equipment purchase	1,111,246	-	547,439	563,807	563,807
Pension Obligation Bonds					
Series 2021A	-	31,780,000	1,240,000	30,540,000	1,030,000
Claims payable	3,253,932	198,758	-	3,452,690	842,082
Insurance assessment payable	486,342	-	81,057	405,285	81,057
Compensated absences	1,455,963	793,601	690,260	1,559,304	869,042
Net pension liability	39,436,857	-	11,499,058	27,937,799	-
Net OPEB liability	43,585,988	-	2,446,007	41,139,981	-
Total	<u>\$ 91,813,128</u>	<u>\$ 32,772,359</u>	<u>\$ 16,604,532</u>	<u>\$ 107,980,955</u>	<u>\$ 3,486,699</u>
Business-type Activities:					
Compensated absences	\$ 217,558	\$ 118,583	\$ 103,142	\$ 232,999	\$ 129,857
Net pension liability	6,209,658	-	1,297,719	4,911,939	-
Net OPEB liability	6,512,849	-	365,496	6,147,353	-
Loans payable from direct borrowing:					
Radio equipment purchase	202,308	-	99,672	102,636	102,636
2020 installment sales agreement	1,225,000	-	125,000	1,100,000	130,000
Pension Obligation Bonds					
Series 2021B	-	4,745,000	185,000	4,560,000	150,000
Total	<u>\$ 14,367,373</u>	<u>\$ 4,863,583</u>	<u>\$ 2,176,029</u>	<u>\$ 17,054,927</u>	<u>\$ 512,493</u>

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.

7. LONG-TERM LIABILITIES (CONTINUED)

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
2023	\$ 95,000	\$ 81,238	\$ 176,238
2024	100,000	77,438	177,438
2025	105,000	72,438	177,438
2026	110,000	67,188	177,188
2027	115,000	61,688	176,688
2028 - 2032	650,000	239,388	889,388
2033 - 2037	765,000	129,694	894,694
2038 - 2039	345,000	16,900	361,900
Totals	<u>\$ 2,285,000</u>	<u>\$ 745,972</u>	<u>\$ 3,030,972</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, 2022 is \$563,807 in Governmental Activities and \$102,636 in Business-type Activities. Remaining principal and interest payments (at 2.99%) are due next year as follow:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 666,443	\$ 19,927	\$ 686,370

7. LONG-TERM LIABILITIES (CONTINUED)

Net Pension Liability

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

In 1985, the State Legislature adopted Revenue and Taxation Code Section 96.31, which authorized a jurisdiction to continue to impose an ad valorem property tax levy to make payments in support of pension programs provided: 1) it was approved by voters prior to July 1, 1978, and 2) the jurisdiction imposed the property tax levy in either FY 1982-1983 or FY 1983-1984. It also capped the rate the jurisdiction could impose to the rate imposed in FY 1982-1983 or FY 1983-1984, whichever is higher. Consequently, the maximum rate that can be levied by the City is \$0.28420 for each \$100 of assessed property value, as 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 2021-2022, the levy was \$0.169975 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 8.

Other Postemployment 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 2022. 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 9.

7. LONG-TERM LIABILITIES (CONTINUED)

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
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>\$ 405,285</u>	<u>\$ 359,988</u>	<u>\$ 765,273</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.

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
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>\$ 1,100,000</u>	<u>\$ 95,950</u>	<u>\$ 1,195,950</u>

7. LONG-TERM LIABILITIES (CONTINUED)

Pension Obligation Bonds

In August 2021, the City issued \$31,780,000 and \$4,745,000 in Pension Obligation Bonds (POBs), Series 2021A and 2021B, respectively. 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). Interest rates on the 2021 POBs range from 0.242% to 3.172% and is payable semi-annually on January 1 and July 1 of each year, commencing on January 1, 2022 and will mature in 2046. The 2021A POB is liquidated in the General Fund while the 2021B POB is 73% and 27% funded by the Water and Sewer fund, respectively.

The City is not required to establish a debt service reserve fund for these bonds because the payment of interest and principal when due is guaranteed under a municipal bond insurance policy. The annual requirements to amortize the 2021 POBs are as follows:

Series 2021A

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,030,000	\$ 712,126	\$ 1,742,126
2024	1,035,000	708,500	1,743,500
2025	1,040,000	702,518	1,742,518
2026	1,050,000	693,481	1,743,481
2027	1,060,000	681,836	1,741,836
2028 - 2032	5,560,000	3,145,989	8,705,989
2033 - 2037	6,195,000	2,513,076	8,708,076
2038 - 2042	7,100,000	1,606,164	8,706,164
2043 - 2046	6,470,000	492,450	6,962,450
Totals	<u>\$ 30,540,000</u>	<u>\$ 11,256,140</u>	<u>\$ 41,796,140</u>

Series 2021B

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 150,000	\$ 114,323	\$ 264,323
2024	150,000	113,675	263,675
2025	155,000	112,688	267,688
2026	155,000	111,219	266,219
2027	155,000	109,281	264,281
2028 - 2032	825,000	503,856	1,328,856
2033 - 2037	925,000	401,569	1,326,569
2038 - 2042	1,065,000	256,698	1,321,698
2043 - 2046	980,000	78,825	1,058,825
Totals	<u>\$ 4,560,000</u>	<u>\$ 1,802,134</u>	<u>\$ 6,362,134</u>

8. 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 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, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 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, 2022, 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 of service	5 years of service	5 years of 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	2.00 % to 3.00%	2.00%	2.00%	
Required employee contribution rates	7.80%	6.91%	7.25%	
Required employer contribution rates:	16.30%	11.66%	7.70%	

	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 of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	62
Monthly benefits, as a % of eligible compensation	3%	3%	3%	2.70%
Required employee contribution rates	8.99%	8.99%	8.99%	13.00%
Required employer contribution rates:	25.43%	22.48%	20.64%	13.13%

**8. CITY EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

General Information about the 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 \$3,448,987 in fiscal year 2022.

The City's contributions to the Plan for the year ended June 30, 2022 were \$40,691,069.

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

As of June 30, 2022, the City reported a liability of \$32,849,738 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2022 and 2021 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2021	0.21138%	0.20815%
Proportion - June 30, 2022	0.30274%	0.30465%
Change - Increase (Decrease)	0.09136%	0.09650%

**8. CITY EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

General Information about the Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of \$16,027,861. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to measurement date	\$ 20,469,397	\$ -	\$ 20,221,672	\$ -	\$ 40,691,069	\$ -
Difference between expected and actual experience	1,836,071	-	2,815,014	-	4,651,085	-
Change in assumptions	-	-	-	-	-	-
Change in employer's proportion	-	770,529	-	282,035	-	1,052,564
Differences between the employer's contributions and the employer's proportionate share of contributions	123,058	-	-	496,699	123,058	496,699
Net differences between projected and actual earnings on plan investments	-	14,292,877	-	9,806,749	-	24,099,626
Total	\$ 22,428,526	\$ 15,063,406	\$ 23,036,686	\$ 10,585,483	\$ 45,465,212	\$ 25,648,889

The \$40,691,069 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, 2023. 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	Miscellaneous	Safety
2023	\$ (2,798,138)	\$ (1,299,468)
2024	(3,012,415)	(1,620,396)
2025	(3,343,911)	(2,151,923)
2026	(3,949,813)	(2,698,682)
2027	-	-
Thereafter	-	-
	\$ (13,104,277)	\$ (7,770,469)

**8. CITY EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

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

Actuarial Assumptions

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increase	Varied by Entry Age and Service
Mortality rate table	(1)
Post retirement benefit increase	(2)

- (1) CalPERS developed the mortality table used based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2017 experience study report.
- (2) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

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.

**8. CITY EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

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 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 (1)	New Strategic Allocation	Real Return Years 1 - 10 (2,4)	Real Return Years 11+ (3,4)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

- (1) In the CalPERS' ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.00% used for this period.
- (3) An expected inflation of 2.92% used for this period.
- (4) Figures are based on previous ALM of 2017.

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:

**8. CITY EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)
(CONTINUED)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
(Continued)**

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net pension liability	\$ 25,830,962	\$ 25,470,893
Current discount rate	7.15%	7.15%
Net pension liability	\$ 16,373,130	\$ 16,476,608
1% increase	8.15%	8.15%
Net pension liability	\$ 8,554,750	\$ 9,088,914

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, 2022, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2022.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description - For employees hired prior to July 1, 2015, the City contributes to a single-employer defined benefit plan to provide postemployment 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 \$149 per month for calendar year 2022 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.

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees Covered by Benefit Terms – As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	10
Active employees	<u>93</u>
Total	<u><u>211</u></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, 2021 and was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age, Level Percent of Pay
Contribution Policy	No pre-funding
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Age at Retirement	52
Health Care Trend Rate	6.50% initial, 3.75% ultimate - Non-Medicare 5.65% initial, 3.75% ultimate - Medicare (Non-Kaiser) 4.60% initial, 3.75% ultimate - Medicare (Kaiser)
Inflation Rate	2.50%
Salary Changes	2.75%
Discount Rate	1.92% at June 30, 2021 (Fidelity GO AA 20 yrs)

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2020 (measurement date)	\$ 50,098,837
Changes in the year:	
Service Cost	1,832,835
Interest on the total OPEB liability	1,256,206
Differences between expected and actual experience	(3,094,378)
Assumptions Changes	(1,490,219)
Benefit payments, including refunds	(1,315,947)
Net Changes	(2,811,503)
Balance at June 30, 2021 (measurement date)	\$ 47,287,334

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 (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB liability (asset)	\$ 56,098,153	\$ 47,287,334	\$ 40,389,613

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 liability 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)	\$ 39,657,861	\$ 47,287,334	\$ 57,230,971

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the City recognized OPEB expense of \$1,763,648. 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	\$ 1,446,318	\$ -
Changes of assumptions	4,128,593	2,093,926
Difference between actual and expected experience	-	4,885,711
Total	\$ 5,574,911	\$ 6,979,637

9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The \$1,446,318 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2023	\$ (1,246,718)
2024	(506,622)
2025	(355,075)
2026	(251,426)
2027	(491,203)
Thereafter	-
	<u>\$ (2,851,044)</u>

10. 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.

The City's self-insurance programs are reported in the Self-Insurance Internal Service Fund which reported a deficit net position of \$2,134,000 as of June 30, 2022. 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, 2022, the amount of these liabilities was \$1,741,263. This liability is the City's best estimate based on available information.

10. SELF-INSURANCE PROGRAM (CONTINUED)

General Liability

The City participates in the Liability Program through ICRMA and maintains coverage for comprehensive general and automobile liability, personal injury, contractual liability, errors and omissions, and certain other coverage. The City is self-insured for the first \$250,000 of each claim.

Excess insurance is provided through ICRMA from \$250,001 to \$30,000,000 per insured occurrence. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2022, the amount of these liabilities was \$1,711,427. 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:

	<u>FY 2021-22</u>	<u>FY 2020-21</u>	<u>FY 2019-20</u>
Beginning of year	\$ 3,253,932	\$ 2,987,895	\$ 3,518,904
Claims and changes in estimates	1,970,134	1,694,576	636,415
Claim payments	<u>(1,771,376)</u>	<u>(1,428,539)</u>	<u>(1,167,424)</u>
End of year	<u>\$ 3,452,690</u>	<u>\$ 3,253,932</u>	<u>\$ 2,987,895</u>

11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The following deficits in non-major funds at June 30, 2022 will be eliminated through the collection of revenues in the future:

	<u>Deficit</u>
Non-major Funds:	
Mall Maintenance Operations	\$ (107,269)
Local Transportation	(22,927)
Recreation	(7,268)
Community Development Block Grant	(26,995)
Operating Grants	(153,927)

11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2022 exceeded appropriations in the following funds:

Fund Name	Appropriations	Expenditures	Excess Over Appropriations
Major governmental funds			
Retirement Tax Fund	\$ 4,318,010	\$ 38,254,004	\$ (33,935,994)
Nonmajor governmental funds			
Mall Maintenance Special Revenue Fund	66,659	126,554	(59,895)
Parking Maintenance and Operations Special Revenue Fund	174,764	218,262	(43,498)
Street Lighting Special Revenue Fund	268,914	323,943	(55,029)

12. 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, 2022.

13. SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUND

On March 15, 2022, the Los Angeles County Third Supervisorial District Consolidated Oversight Board approved the dissolution of the Successor Agency to the former Redevelopment Agency of the City of San Fernando based on the following:

- All enforceable obligations identified in the Recognized Obligation Payment Schedule have been retired or paid off.
- All real property has been disposed of pursuant to Health and Safety Code section 34181 or 34191.4.
- All outstanding litigation has been resolved.

On April 12, 2022, the California Department of Finance approved the dissolution. Accordingly, the Successor Agency disposed of the remaining assets, as directed by the oversight Board and transferred the proceeds from asset dispositions to the Los Angeles County Auditor-Controller on May 31, 2022. The Successor Agency has loans receivable uncollected which has a balance of \$543,678 as of June 30, 2022.

14. SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 30, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that, no subsequent events occurred that require recognition or additional disclosure in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of San Fernando
Changes in Total OPEB Liability and Related Ratios

Reporting Fiscal Year	2022	2021	2020	2019	2018
Measurement Fiscal Year	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 1,832,835	\$ 1,588,774	\$ 1,398,168	\$ 1,380,011	\$ 1,601,768
Interest on total OPEB liability	1,256,206	1,397,186	1,630,542	1,552,449	1,364,732
Changes in assumptions	(1,490,219)	4,619,043	(2,513,954)	(425,186)	(4,804,507)
Changes in benefits	-	-	-	-	-
Actual vs. expected experience	(3,094,378)	-	-	-	-
Benefit payments, including refunds	(1,315,946)	(1,111,780)	(1,107,138)	(1,074,819)	(1,064,148)
Net change in total OPEB liability	(2,811,502)	6,493,223	(592,382)	1,432,455	(2,902,155)
Total OPEB liability - beginning	50,098,837	43,605,614	44,197,996	42,765,541	45,667,696
Total OPEB liability - ending	<u>\$ 47,287,335</u>	<u>\$ 50,098,837</u>	<u>\$ 43,605,614</u>	<u>\$ 44,197,996</u>	<u>\$ 42,765,541</u>
Covered payroll	\$ 10,053,710	\$ 10,545,654	\$ 10,176,564	\$ 8,291,994	\$ 9,645,806
Total OPEB liability as a percentage of covered-employee payroll	470.30%	475.07%	428.49%	553.02%	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.

The discount rate was changed from 2.45% to 1.92% for the June 30, 2021 measurement period.

City of San Fernando
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
2021	0.60739% \$	32,849,738 \$	9,231,146	355.86%	88.29%
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
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
2022	\$ 40,691,069	\$ (40,691,069) **	\$ -	\$ 9,142,756	445.06%
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.

**Includes payment made during the year to pay down the City's unfunded accrued actuarial liability to CalPERS.

Notes to the Schedule of Plan Contributions

Benefit Changes: None

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/2019, and 6/30/2020

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 15,291,500	\$ 16,384,774	\$ 18,639,835	\$ 2,255,061
Licenses and Permits	275,625	275,625	307,168	31,543
Charges for Services	1,378,950	1,378,950	1,371,020	(7,930)
Fines and Forfeitures	464,800	464,800	433,689	(31,111)
Investment Losses	-	-	(630,429)	(630,429)
Intergovernmental	2,988,260	2,827,500	2,926,574	99,074
Other	168,000	43,000	39,146	(3,854)
Total Revenues	20,567,135	21,374,649	23,087,003	1,712,354
EXPENDITURES				
Current:				
General Government:				
City Council	250,950	250,950	193,121	57,829
Administration	543,383	527,335	346,189	181,146
Personnel	310,695	303,358	301,089	2,269
City Attorney	184,920	180,440	157,920	22,520
City Clerk	251,626	246,375	227,314	19,061
Elections	-	-	1,511	(1,511)
Financial Management	627,957	612,741	485,928	126,813
Information Technology	365,513	356,656	276,968	79,688
Retirement and Nondepartmental	1,172,160	1,108,286	1,024,065	84,221
Public Safety:				
Police	9,322,546	9,335,301	9,317,935	17,366
Fire	2,850,000	3,000,000	3,193,147	(193,147)
Community Development	1,144,528	1,158,063	896,980	261,083
Public Works	1,208,716	1,238,904	1,182,238	56,666
Parks and Recreation	1,334,106	1,320,984	1,333,470	(12,486)
Capital Outlay	175,000	16,586	5,180	11,406
Debt Service	29,422	50,617	50,617	-
Total Expenditures	19,771,522	19,706,596	18,993,672	712,924
Excess (Deficiency) of Revenues over Expenditures	795,613	1,668,053	4,093,331	2,425,278
OTHER FINANCING SOURCES (USES)				
Transfers In	495,000	473,038	473,040	2
Transfers Out	(1,290,000)	(2,688,380)	(2,094,799)	593,581
Total Other Financing Sources (Uses)	(795,000)	(2,215,342)	(1,621,759)	593,583
Net Change in Fund Balances	613	(547,289)	2,471,572	3,018,861
Fund Balance, Beginning of Year	7,759,469	7,759,469	7,759,469	-
Fund Balance, End of Year	\$ 7,760,082	\$ 7,212,180	\$ 10,231,041	\$ 3,018,861

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Retirement Tax Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 4,497,233	\$ 4,497,233	\$ 4,146,976	\$ (350,257)
Investment Losses	-	-	(129,024)	(129,024)
Other	-	-	147,774	147,774
Total Revenues	4,497,233	4,497,233	4,165,726	(331,507)
EXPENDITURES				
Current:				
General Government	3,210,172	3,210,172	35,455,155	(32,244,983)
Public Safety	959,051	959,051	1,093,818	(134,767)
Public Works	64,076	64,076	58,370	5,706
Parks and Recreation	25,997	25,997	83,134	(57,137)
Community Development	58,714	58,714	61,314	(2,600)
Debt Service	-	-	1,502,213	1,502,213
Total Expenditures	4,318,010	4,318,010	38,254,004	(33,935,994)
Excess (Deficiency) of Revenues Over (Under) Expenditures	179,223	179,223	(34,088,278)	(34,267,501)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	31,780,000	31,780,000
Transfers In	524,868	524,868	-	(524,868)
Transfers Out	-	-	-	-
Total Other Financing Sources	524,868	524,868	31,780,000	31,255,132
Net Change in Fund Balances	704,091	704,091	(2,308,278)	(3,012,369)
Fund Balance, Beginning of Year	11,743,822	11,743,822	11,743,822	-
Fund Balance (Deficit), End of Year	\$ 12,447,913	\$ 12,447,913	\$ 9,435,544	\$ (3,012,369)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – American Rescue Plan Act (ARPA) Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 297,882	\$ 137,122	\$ (160,760)
Total Revenues	-	297,882	137,122	(160,760)
EXPENDITURES				
Current:				
General Government	-	87,397	47,149	40,248
Public Safety	-	394	394	-
Public Works	-	52,610	45,675	6,935
Capital Outlay	-	157,481	36,377	121,104
Total Expenditures	-	297,882	129,595	168,287
Net Change in Fund Balances	-	-	7,527	7,527
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 7,527	\$ 7,527

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 the 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 2021-22, 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 U.S. GAAP. 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 serve as the budgeting basis. Appropriations lapse at year-end.

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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 - Major Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 16,924,554	\$ 32,942,104	\$ 8,212,239	\$ (24,729,865)
Total Revenues	16,924,554	32,942,104	8,212,239	(24,729,865)
EXPENDITURES				
Current:				
Public Safety	-	131,663	92,441	39,222
Parks and Recreation	-	1,404,566	252,596	1,151,970
Capital Outlay	16,454,663	29,138,964	3,040,860	26,098,104
Debt Service	620,209	649,631	514,183	649,631
Total Expenditures	17,074,872	31,324,824	3,900,080	27,424,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,318)	1,617,280	4,312,159	2,694,879
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	420,512	420,512
Total Other Financing Sources	-	-	420,512	420,512
Net Change in Fund Balances	(150,318)	1,617,280	4,732,671	3,115,391
Fund Balance, Beginning of Year	2,607,455	2,607,455	2,607,455	-
Fund Balance, End of Year	<u>\$ 2,457,137</u>	<u>\$ 4,224,735</u>	<u>\$ 7,340,126</u>	<u>\$ 3,115,391</u>

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 Operations - 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.

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.

Low Income Housing (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 FUND

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, 2022

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety	Parking Maintenance and Operations	Local Transportation
ASSETS							
Cash and Investments	\$ 1,089,283	\$ -	\$ 322,141	\$ 21,177	\$ 7,234	\$ 352,553	\$ -
Restricted Cash and Investments	425,246	-	-	-	-	-	-
Receivables:							
Taxes	-	-	-	-	-	-	-
Accounts	-	4,957	715	-	367	1,572	-
Grants	-	-	-	-	-	-	2,083
Loans	-	-	-	-	-	-	-
Leases	-	-	-	-	-	187,735	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	\$ 1,514,529	\$ 4,957	\$ 322,856	\$ 21,177	\$ 7,601	\$ 541,860	\$ 2,083
LIABILITIES							
Accounts Payable	\$ 328,435	\$ 6,625	\$ 67,082	\$ -	\$ -	\$ 19,177	\$ 22,200
Accrued Liabilities	203	8,264	151	-	43	4,812	-
Deposits	-	-	-	-	-	1,067	-
Due to Other Funds	-	97,337	-	-	-	-	2,810
Unearned Revenue	-	-	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-	-	-
Total Liabilities	328,638	112,226	67,233	-	43	25,056	25,010
DEFERRED INFLOWS OF RESOURCES							
Leases	-	-	-	-	-	187,448	-
Unavailable Revenues - Grants	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	187,448	-
FUND BALANCES (DEFICIT)							
Restricted for:							
Transportation	1,185,891	-	255,623	21,177	7,558	-	-
Housing	-	-	-	-	-	-	-
Air Pollution	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Parking	-	-	-	-	-	329,356	-
Unassigned	-	(107,269)	-	-	-	-	(22,927)
Total Fund Balances (Deficit)	1,185,891	(107,269)	255,623	21,177	7,558	329,356	(22,927)
Total Liabilities, Deferred Inflows and Fund Balances (Deficit)	\$ 1,514,529	\$ 4,957	\$ 322,856	\$ 21,177	\$ 7,601	\$ 541,860	\$ 2,083

(Continued)

City of San Fernando
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2022

Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax	Federal Asset Forfeiture	AQMD	
\$ 18,245	\$ 154	\$ 408,407	\$ 9,744	\$ 27,049	\$ 8,573	\$ 141,856	ASSETS
-	-	-	-	-	-	-	Cash and Investments
-	-	-	-	-	-	-	Restricted Cash and Investments
-	-	14,673	-	44,070	-	8,142	Receivables:
-	-	-	115	-	-	-	Taxes
-	-	-	-	-	-	-	Accounts
-	-	-	-	-	-	-	Grants
-	-	-	-	-	-	-	Loans
-	-	-	-	-	-	-	Leases
-	-	-	-	-	-	-	Prepaid Items
<u>\$ 18,245</u>	<u>\$ 154</u>	<u>\$ 423,080</u>	<u>\$ 9,859</u>	<u>\$ 71,119</u>	<u>\$ 8,573</u>	<u>\$ 149,998</u>	Total Assets
\$ 13,549	\$ -	\$ 30,325	\$ -	\$ -	\$ -	\$ -	LIABILITIES
11,964	152	6,199	-	-	-	-	Accounts Payable
-	-	-	-	-	-	-	Accrued Liabilities
-	-	-	-	-	-	-	Deposits
-	-	-	-	-	-	-	Due to Other Funds
-	-	-	-	-	-	-	Unearned Revenue
-	-	-	-	-	-	-	Due to Other Agencies
<u>25,513</u>	<u>152</u>	<u>36,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Liabilities
-	-	-	-	-	-	-	DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	-	-	Leases
-	-	-	-	-	-	8,142	Unavailable Revenues - Grants
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,142</u>	Total Deferred Inflows of Resources
-	-	-	-	-	-	-	FUND BALANCES (DEFICIT)
-	-	-	-	-	-	-	Restricted for:
-	-	-	-	-	-	-	Transportation
-	-	-	-	-	-	-	Housing
-	2	-	-	-	-	141,856	Air Pollution
-	-	386,556	9,859	-	8,573	-	Parks and Recreation
-	-	-	-	71,119	-	-	Public Safety
-	-	-	-	-	-	-	Community Development
-	-	-	-	-	-	-	Parking
(7,268)	-	-	-	-	-	-	Unassigned
<u>(7,268)</u>	<u>2</u>	<u>386,556</u>	<u>9,859</u>	<u>71,119</u>	<u>8,573</u>	<u>141,856</u>	Total Fund Balances (Deficit)
<u>\$ 18,245</u>	<u>\$ 154</u>	<u>\$ 423,080</u>	<u>\$ 9,859</u>	<u>\$ 71,119</u>	<u>\$ 8,573</u>	<u>\$ 149,998</u>	Total Liabilities, Deferred Inflows and Fund Balances (Deficit)

(Continued)

City of San Fernando
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2022

	Cash-in-Lieu of Parking	Pavement Management	Proposition C	Community Development Block Grant	Community Development Surcharge	Operating Grants	STP Local Fund
ASSETS							
Cash and Investments	\$ 494,494	\$ 13,651	\$ 501,530	\$ -	\$ 125,239	\$ 410,185	\$ 5,349
Restricted Cash and Investments	-	-	-	-	-	-	-
Receivables:							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	256	1,150	-
Grants	-	-	-	480,256	-	3,401	-
Loans	-	-	-	243,070	-	-	-
Leases	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	830	-
Total Assets	<u>\$ 494,494</u>	<u>\$ 13,651</u>	<u>\$ 501,530</u>	<u>\$ 723,326</u>	<u>\$ 125,495</u>	<u>\$ 415,566</u>	<u>\$ 5,349</u>
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 44,484	\$ 472,891	\$ 2	\$ 193,817	\$ -
Accrued Liabilities	-	-	-	-	5,230	891	-
Deposits	-	-	-	-	-	14,785	-
Due to Other Funds	-	-	-	34,360	-	-	-
Unearned Revenue	-	-	-	-	-	360,000	-
Due to Other Agencies	-	-	-	243,070	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>44,484</u>	<u>750,321</u>	<u>5,232</u>	<u>569,493</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Leases	-	-	-	-	-	-	-
Unavailable Revenues - Grants	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)							
Restricted for:							
Transportation	494,494	13,651	457,046	-	-	-	5,349
Housing	-	-	-	-	-	-	-
Air Pollution	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Community Development	-	-	-	-	120,263	-	-
Parking	-	-	-	-	-	-	-
Unassigned	-	-	-	(26,995)	-	(153,927)	-
Total Fund Balances (Deficit)	<u>494,494</u>	<u>13,651</u>	<u>457,046</u>	<u>(26,995)</u>	<u>120,263</u>	<u>(153,927)</u>	<u>5,349</u>
Total Liabilities, Deferred Inflows and Fund Balances (Deficit)	<u>\$ 494,494</u>	<u>\$ 13,651</u>	<u>\$ 501,530</u>	<u>\$ 723,326</u>	<u>\$ 125,495</u>	<u>\$ 415,566</u>	<u>\$ 5,349</u>

(Continued)

City of San Fernando
Combining Balance Sheet
Other Governmental Funds (Continued)
June 30, 2022

SLESF	Measure M	Road Maintenance & Rehab	Measure W	Housing	Capital Outlay	Total	
							ASSETS
\$ 193,224	\$ 1,436,323	\$ 1,472,950	\$ 374,080	\$ 2,159,197	\$ 1,963,771	\$ 11,556,409	Cash and Investments
-	-	-	-	-	-	425,246	Restricted Cash and Investments
							Receivables:
65,271	-	82,295	-	-	-	214,451	Taxes
-	-	-	-	-	-	9,132	Accounts
-	-	-	-	-	-	485,740	Grants
-	-	-	-	1,277,117	-	1,520,187	Loans
-	-	-	-	-	-	187,735	Leases
-	-	-	-	-	-	830	Prepaid Items
<u>\$ 258,495</u>	<u>\$ 1,436,323</u>	<u>\$ 1,555,245</u>	<u>\$ 374,080</u>	<u>\$ 3,436,314</u>	<u>\$ 1,963,771</u>	<u>14,399,730</u>	Total Assets
							LIABILITIES
\$ -	\$ 26,473	\$ 17,987	\$ 23,807	\$ -	\$ 106,234	1,373,088	Accounts Payable
-	-	-	-	135	-	38,044	Accrued Liabilities
-	-	-	-	-	-	15,852	Deposits
-	-	-	-	-	-	134,507	Due to Other Funds
-	-	-	-	-	-	360,000	Unearned Revenue
-	-	-	-	-	-	243,070	Due to Other Agencies
<u>-</u>	<u>26,473</u>	<u>17,987</u>	<u>23,807</u>	<u>135</u>	<u>106,234</u>	<u>2,164,561</u>	Total Liabilities
							DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	-	187,448	Leases
65,271	-	-	-	-	-	73,413	Unavailable Revenues - Grants
<u>65,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,861</u>	Total Deferred Inflows of Resources
							FUND BALANCES (DEFICIT)
-	1,409,850	1,537,258	350,273	-	-	5,738,170	Restricted for:
-	-	-	-	3,436,179	-	3,436,179	Transportation
-	-	-	-	-	-	141,856	Housing
-	-	-	-	-	-	2	Air Pollution
193,224	-	-	-	-	-	598,212	Parks and Recreation
-	-	-	-	-	1,857,537	2,048,919	Public Safety
-	-	-	-	-	-	329,356	Community Development
-	-	-	-	-	-	(318,386)	Parking
<u>193,224</u>	<u>1,409,850</u>	<u>1,537,258</u>	<u>350,273</u>	<u>3,436,179</u>	<u>1,857,537</u>	<u>11,974,308</u>	Unassigned
<u>\$ 258,495</u>	<u>\$ 1,436,323</u>	<u>\$ 1,555,245</u>	<u>\$ 374,080</u>	<u>\$ 3,436,314</u>	<u>\$ 1,963,771</u>	<u>\$ 14,399,730</u>	Total Fund Balances (Deficit)
							Total Liabilities, Deferred Inflows and Fund Balances (Deficit)
							(Concluded)

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2022

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety	Parking Maintenance and Operations	Local Transportation
REVENUES							
Taxes	\$ 395,942	\$ 50,115	\$ 636,553	\$ -	\$ -	\$ 56,007	\$ -
Charges for Services	-	-	8,685	-	-	161,761	-
Fines and Forfeitures	-	-	-	-	3,075	-	-
Investment Earnings (Losses)	(42,112)	-	(12,152)	(818)	-	(12,959)	-
Intergovernmental	-	-	-	-	-	-	2,083
Total Revenues	353,830	50,115	633,086	(818)	3,075	204,809	2,083
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Public Works	4,265	126,554	461,225	-	-	218,262	-
Parks and Recreation	-	-	-	-	-	-	-
Capital Outlay	512,254	-	-	-	-	-	25,010
Debt Service:							
Principal	95,000	-	-	-	-	-	-
Interest and Fiscal Charges	85,038	-	-	-	-	-	-
Total Expenditures	696,557	126,554	461,225	-	-	218,262	25,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	(342,727)	(76,439)	171,861	(818)	3,075	(13,453)	(22,927)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	(342,727)	(76,439)	171,861	(818)	3,075	(13,453)	(22,927)
Fund Balances (Deficit), Beginning	1,528,618	(30,830)	83,762	21,995	4,483	342,809	-
Fund Balances (Deficit), End of Year	\$ 1,185,891	\$ (107,269)	\$ 255,623	\$ 21,177	\$ 7,558	\$ 329,356	\$ (22,927)

(Continued)

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2022

Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax	Federal Asset Forfeiture	AQMD	
							REVENUES
\$ -	\$ -	\$ 332,856	\$ -	\$ -	\$ -	\$ -	- Taxes
128,727	-	-	-	-	-	-	- Charges for Services
-	-	-	213	-	-	-	- Fines and Forfeitures
-	(6)	-	(363)	-	(330)	(5,156)	- Investment Earnings (Losses)
-	-	-	-	583,343	-	23,549	- Intergovernmental
128,727	(6)	332,856	(150)	583,343	(330)	18,393	Total Revenues
							EXPENDITURES
							Current:
-	-	-	-	-	-	-	- General Government
-	-	-	-	-	-	-	- Public Safety
-	-	-	-	-	-	-	- Community Development
-	-	323,943	-	289,502	-	-	- Public Works
188,750	-	-	-	-	-	-	- Parks and Recreation
-	-	-	-	-	-	-	- Capital Outlay
							Debt Service:
-	-	-	-	-	-	-	- Principal
-	-	-	-	-	-	-	- Interest and Fiscal Charges
188,750	-	323,943	-	289,502	-	-	Total Expenditures
(60,023)	(6)	8,913	(150)	293,841	(330)	18,393	Excess (Deficiency) of Revenues Over (Under) Expenditures
							OTHER FINANCING SOURCES (USES)
25,000	-	-	-	-	-	-	- Transfers In
-	-	-	-	(228,036)	-	-	- Transfers Out
25,000	-	-	-	(228,036)	-	-	Total Other Financing Sources (Uses)
(35,023)	(6)	8,913	(150)	65,805	(330)	18,393	Net Change in Fund Balances
27,755	8	377,643	10,009	5,314	8,903	123,463	Fund Balances (Deficit), Beginning
\$ (7,268)	\$ 2	\$ 386,556	\$ 9,859	\$ 71,119	\$ 8,573	\$ 141,856	Fund Balances (Deficit), End of Year

(Continued)

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2022

	Cash-in-Lieu of Parking	Pavement Management	Proposition C	Community Development Block Grant	Community Development Surcharge	Operating Grants	STP Local Fund
REVENUES							
Taxes	\$ -	\$ -	\$ 528,007	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	34,292	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings (Losses)	(18,989)	(527)	(17,206)	-	(4,671)	-	(207)
Intergovernmental	-	-	-	490,597	22,291	776,460	-
Total Revenues	(18,989)	(527)	510,801	490,597	51,912	776,460	(207)
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	9,111	-
Public Safety	-	-	-	-	-	63,784	-
Community Development	-	-	-	-	-	190,609	-
Public Works	-	-	231,583	29,245	24,960	15,000	-
Parks and Recreation	-	-	-	19,110	-	321,763	-
Capital Outlay	-	-	20,169	467,056	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	-	-	251,752	515,411	24,960	600,267	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,989)	(527)	259,049	(24,814)	26,952	176,193	(207)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(420,512)	-	-	(257,232)	-
Total Other Financing Sources (Uses)	-	-	(420,512)	-	-	(257,232)	-
Net Change in Fund Balances	(18,989)	(527)	(161,463)	(24,814)	26,952	(81,039)	(207)
Fund Balances (Deficit), Beginning	513,483	14,178	618,509	(2,181)	93,311	(72,888)	5,556
Fund Balances (Deficit), End of Year	\$ 494,494	\$ 13,651	\$ 457,046	\$ (26,995)	\$ 120,263	\$ (153,927)	\$ 5,349

(Continued)

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds (Continued)
Year Ended June 30, 2022

SLESF	Measure M	Road Maintenance & Rehab	Measure W	Housing	Capital Outlay	Total	
							REVENUES
\$ -	\$ 448,054	\$ -	\$ 277,266	\$ -	\$ -	\$ 2,724,800	Taxes
-	-	-	-	-	-	333,465	Charges for Services
-	-	-	-	-	-	3,288	Fines and Forfeitures
(7,644)	(52,102)	(54,414)	(14,414)	471	-	(243,599)	Investment Earnings (Losses)
161,285	-	492,819	-	-	-	2,552,427	Intergovernmental
153,641	395,952	438,405	262,852	471	-	5,370,381	Total Revenues
							EXPENDITURES
							Current:
-	-	-	-	-	-	9,111	General Government
-	-	-	-	-	-	63,784	Public Safety
-	-	-	-	3,836	-	194,445	Community Development
-	-	-	130,130	-	-	1,854,669	Public Works
-	-	-	-	-	-	529,623	Parks and Recreation
-	62,281	66,782	-	-	143,903	1,297,455	Capital Outlay
							Debt Service:
-	-	-	-	-	-	95,000	Principal
-	-	-	-	-	-	85,038	Interest and Fiscal Charges
-	62,281	66,782	130,130	3,836	143,903	4,129,125	Total Expenditures
153,641	333,671	371,623	132,722	(3,365)	(143,903)	1,241,256	Excess (Deficiency) of Revenues Over (Under) Expenditures
							OTHER FINANCING SOURCES (USES)
-	-	-	-	-	1,941,050	1,966,050	Transfers In
(125,004)	-	-	-	-	-	(1,030,784)	Transfers Out
(125,004)	-	-	-	-	1,941,050	935,266	Total Other Financing Sources (Uses)
28,637	333,671	371,623	132,722	(3,365)	1,797,147	2,176,522	Net Change in Fund Balances
164,587	1,076,179	1,165,635	217,551	3,439,544	60,390	9,797,786	Fund Balances (Deficit), Beginning
\$ 193,224	\$ 1,409,850	\$ 1,537,258	\$ 350,273	\$ 3,436,179	\$ 1,857,537	\$ 11,974,308	Fund Balances (Deficit), End of Year
							(Concluded)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Measure R Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 358,902	\$ 358,902	\$ 395,942	\$ 37,040
Investment Losses	-	-	(42,112)	(42,112)
Total Revenues	358,902	358,902	353,830	(5,072)
EXPENDITURES				
Current:				
Public Works	1,008	1,008	4,265	(3,257)
Capital Outlay	808,902	1,450,985	512,254	938,731
Debt Service:				
Principal	90,000	90,000	95,000	(5,000)
Interest and Fiscal Charges	95,000	95,000	85,038	9,962
Total Expenditures	994,910	1,636,993	696,557	940,436
Net Change in Fund Balances	(636,008)	(1,278,091)	(342,727)	935,364
Fund Balance, Beginning of Year	1,528,618	1,528,618	1,528,618	-
Fund Balance, End of Year	\$ 892,610	\$ 250,527	\$ 1,185,891	\$ 935,364

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Mall Maintenance Operations Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 85,000	\$ 85,000	\$ 50,115	\$ (34,885)
Total Revenues	85,000	85,000	50,115	(34,885)
EXPENDITURES				
Current:				
Public Works	66,659	66,659	126,554	(59,895)
Total Expenditures	66,659	66,659	126,554	(59,895)
Net Change in Fund Balances	18,341	18,341	(76,439)	(94,780)
Fund Deficit, Beginning of Year	(30,830)	(30,830)	(30,830)	-
Fund Deficit, End of Year	<u>\$ (12,489)</u>	<u>\$ (12,489)</u>	<u>\$ (107,269)</u>	<u>\$ (94,780)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 509,042	\$ 509,042	\$ 636,553	\$ 127,511
Charges for Services	-	-	8,685	8,685
Investment Losses	-	-	(12,152)	(12,152)
Total Revenues	509,042	509,042	633,086	124,044
EXPENDITURES				
Current:				
Public Works	527,952	527,952	461,225	66,727
Total Expenditures	527,952	527,952	461,225	66,727
Net Change in Fund Balances	(18,910)	(18,910)	171,861	190,771
Fund Balance, Beginning of Year	83,762	83,762	83,762	-
Fund Balance, End of Year	\$ 64,852	\$ 64,852	\$ 255,623	\$ 190,771

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Proposition C Discretionary Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (818)	\$ (818)
Total Revenues	-	-	(818)	(818)
EXPENDITURES				
Capital Outlay	-	775,376	-	775,376
Total Expenditures	-	775,376	-	775,376
Net Change in Fund Balances	-	(775,376)	(818)	774,558
Fund Balance, Beginning of Year	21,995	21,995	21,995	-
Fund Balance (Deficit), End of Year	<u>\$ 21,995</u>	<u>\$ (753,381)</u>	<u>\$ 21,177</u>	<u>\$ 774,558</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Traffic Safety Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and Forfeitures	\$ -	\$ -	\$ 3,075	\$ 3,075
Net Change in Fund Balances	-	-	3,075	3,075
Fund Balance, Beginning of Year	4,483	4,483	4,483	-
Fund Balance, End of Year	<u>\$ 4,483</u>	<u>\$ 4,483</u>	<u>\$ 7,558</u>	<u>\$ 3,075</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 50,000	\$ 50,000	\$ 56,007	\$ 6,007
Charges for Services	156,000	156,000	161,761	5,761
Investment Losses	-	-	(12,959)	(12,959)
Total Revenues	206,000	206,000	204,809	(1,191)
EXPENDITURES				
Current:				
Public Works	174,764	174,764	218,262	(43,498)
Total Expenditures	174,764	174,764	218,262	(43,498)
Net Change in Fund Balances	31,236	31,236	(13,453)	(44,689)
Fund Balance, Beginning of Year	342,809	342,809	342,809	-
Fund Balance (Deficit), End of Year	<u>\$ 374,045</u>	<u>\$ 374,045</u>	<u>\$ 329,356</u>	<u>\$ (44,689)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Local Transportation Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 45,519	\$ 45,519	\$ 2,083	\$ (43,436)
Total Revenues	45,519	45,519	2,083	(43,436)
EXPENDITURES				
Capital Outlay	45,519	45,519	25,010	20,509
Total Expenditures	45,519	45,519	25,010	20,509
Net Change in Fund Balances	-	-	(22,927)	(22,927)
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance (Deficit), End of Year	\$ -	\$ -	\$ (22,927)	\$ (22,927)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Recreation Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Charges for Services	<u>\$ 149,175</u>	<u>\$ 217,525</u>	<u>\$ 128,727</u>	<u>\$ (88,798)</u>
Total Revenues	<u>149,175</u>	<u>217,525</u>	<u>128,727</u>	<u>(88,798)</u>
EXPENDITURES				
Current:				
Parks and Recreation	<u>142,186</u>	<u>224,861</u>	<u>188,750</u>	<u>36,111</u>
Total Expenditures	<u>142,186</u>	<u>224,861</u>	<u>188,750</u>	<u>36,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,989	(7,336)	(60,023)	(52,687)
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balances	6,989	17,664	(35,023)	(52,687)
Fund Balance, Beginning of Year	<u>27,755</u>	<u>27,755</u>	<u>27,755</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 34,744</u>	<u>\$ 45,419</u>	<u>\$ (7,268)</u>	<u>\$ (52,687)</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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment Losses	\$ -	\$ -	\$ (6)	\$ (6)
Net Change in Fund Balances	-	-	(6)	(6)
Fund Balance, Beginning of Year	8	8	8	-
Fund Balance (Deficit), End of Year	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 2</u>	<u>\$ (6)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Street Lighting Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ -	\$ 331,181	\$ 332,856	\$ 1,675
Total Revenues	-	331,181	332,856	1,675
EXPENDITURES				
Current:				
Public Works	112,900	268,914	323,943	(55,029)
Total Expenditures	112,900	268,914	323,943	(55,029)
Net Change in Fund Balances	(112,900)	62,267	8,913	(53,354)
Fund Balance, Beginning of Year	377,643	377,643	377,643	-
Fund Balance (Deficit), End of Year	\$ 264,743	\$ 439,910	\$ 386,556	\$ (53,354)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – State Asset Forfeiture Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and Forfeitures	\$ -	\$ -	\$ 213	\$ 213
Investment Losses	-	-	(363)	(363)
Total Revenues	-	-	(150)	(150)
EXPENDITURES				
Capital Outlay	-	10,067	-	10,067
Total Expenditures	-	10,067	-	10,067
Net Change in Fund Balances	-	(10,067)	(150)	9,917
Fund Balance, Beginning of Year	10,009	10,009	10,009	-
Fund Balance (Deficit), End of Year	\$ 10,009	\$ (58)	\$ 9,859	\$ 9,917

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – State Gas Tax Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 608,790	\$ 608,790	\$ 583,343	\$ (25,447)
Total Revenues	608,790	608,790	583,343	(25,447)
EXPENDITURES				
Current:				
Public Works	286,506	286,506	289,502	(2,996)
Capital Outlay	-	64,571	-	64,571
Total Expenditures	286,506	351,077	289,502	61,575
Excess of Revenues Over Expenditures	322,284	257,713	293,841	36,128
OTHER FINANCING USES				
Transfers Out	(228,038)	(228,038)	(228,036)	2
Total Other Financing Uses	(228,038)	(228,038)	(228,036)	2
Net Change in Fund Balances	94,246	29,675	65,805	36,130
Fund Balance, Beginning of Year	5,314	5,314	5,314	-
Fund Balance, End of Year	\$ 99,560	\$ 34,989	\$ 71,119	\$ 36,130

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Federal Asset Forfeiture Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (330)	\$ (330)
Total Revenues	-	-	(330)	(330)
EXPENDITURES				
Capital Outlay	-	8,856	-	8,856
Total Expenditures	-	8,856	-	8,856
Net Change in Fund Balances	-	(8,856)	(330)	8,526
Fund Balance, Beginning of Year	8,903	8,903	8,903	-
Fund Balance, End of Year	<u>\$ 8,903</u>	<u>\$ 47</u>	<u>\$ 8,573</u>	<u>\$ 8,526</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – AQMD Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (5,156)	\$ (5,156)
Intergovernmental	20,000	20,000	23,549	3,549
Total Revenues	20,000	20,000	18,393	(1,607)
EXPENDITURES				
Capital Outlay	20,000	20,000	-	20,000
Total Expenditures	20,000	20,000	-	20,000
Net Change in Fund Balances	-	-	18,393	18,393
Fund Balance, Beginning of Year	123,463	123,463	123,463	-
Fund Balance, End of Year	<u>\$ 123,463</u>	<u>\$ 123,463</u>	<u>\$ 141,856</u>	<u>\$ 18,393</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Earnings	\$ -	\$ -	\$ (18,989)	\$ (18,989)
Net Change in Fund Balances	-	-	(18,989)	(18,989)
Fund Balance, Beginning of Year	513,483	513,483	513,483	-
Fund Balance (Deficit), End of Year	<u>\$ 513,483</u>	<u>\$ 513,483</u>	<u>\$ 494,494</u>	<u>\$ (18,989)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Pavement Management Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (527)	\$ (527)
Net Change in Fund Balances	-	-	(527)	(527)
Fund Balance, Beginning of Year	14,178	14,178	14,178	-
Fund Balance (Deficit), End of Year	<u>\$ 14,178</u>	<u>\$ 14,178</u>	<u>\$ 13,651</u>	<u>\$ (527)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Proposition C Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 422,237	\$ 422,237	\$ 528,007	\$ 105,770
Investment Losses	-	-	(17,206)	(17,206)
Total Revenues	422,237	422,237	510,801	88,564
EXPENDITURES				
Current:				
Public Works	206,556	244,556	231,583	12,973
Capital Outlay	615,681	195,169	20,169	175,000
Total Expenditures	822,237	439,725	251,752	187,973
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,000)	(17,488)	259,049	276,537
OTHER FINANCING USES				
Transfers Out	-	(420,512)	(420,512)	-
Total Other Financing Uses	-	(420,512)	(420,512)	-
Net Change in Fund Balances	(400,000)	(438,000)	(161,463)	276,537
Fund Balance, Beginning of Year	618,509	618,509	618,509	-
Fund Balance, End of Year	\$ 218,509	\$ 180,509	\$ 457,046	\$ 276,537

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 723,160	\$ 490,597	\$ (232,563)
Total Revenues	-	723,160	490,597	(232,563)
EXPENDITURES				
Current:				
Public Works	-	50,934	29,245	21,689
Parks and Recreation	-	219,128	19,110	200,018
Capital Outlay	-	463,233	467,056	(3,823)
Total Expenditures	-	733,295	515,411	217,884
Excess (Deficiency) of Revenues				
Net Change in Fund Balances	-	(10,135)	(24,814)	(14,679)
Fund Deficit, Beginning of Year	(2,181)	(2,181)	(2,181)	-
Fund Deficit, End of Year	<u>\$ (2,181)</u>	<u>\$ (12,316)</u>	<u>\$ (26,995)</u>	<u>\$ (14,679)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for Services	\$ 30,000	\$ 30,000	\$ 34,292	\$ 4,292
Investment Losses	-	-	(4,671)	(4,671)
Intergovernmental	20,000	20,000	22,291	2,291
Total Revenues	50,000	50,000	51,912	1,912
EXPENDITURES				
Current:				
Community Development	6,000	6,000	-	6,000
Public Works	25,000	25,000	24,960	40
Total Expenditures	31,000	31,000	24,960	6,040
Net Change in Fund Balances	19,000	19,000	26,952	7,952
Fund Balance, Beginning of Year	93,311	93,311	93,311	-
Fund Balance, End of Year	\$ 112,311	\$ 112,311	\$ 120,263	\$ 7,952

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Operating Grants Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 1,157,536	\$ 776,460	\$ (381,076)
Total Revenues	-	1,157,536	776,460	(381,076)
EXPENDITURES				
Current:				
General Government	-	15,000	9,111	5,889
Public Safety	-	232,439	63,784	168,655
Community Development	-	224,291	190,609	33,682
Public Works	-	333,442	15,000	318,442
Parks and Recreation	-	672,592	321,763	350,829
Total Expenditures	-	1,477,764	600,267	877,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(320,228)	176,193	496,421
OTHER FINANCING USES				
Transfers out	-	(401,797)	(257,232)	144,565
Total Other Financing Uses	-	(401,797)	(257,232)	144,565
Net Change in Fund Balances	-	(722,025)	(81,039)	640,986
Fund Balance (Deficit), Beginning of Year	(72,888)	(72,888)	(72,888)	-
Fund Balance (Deficit), End of Year	<u>\$ (72,888)</u>	<u>\$ (794,913)</u>	<u>\$ (153,927)</u>	<u>\$ 640,986</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – STP Local Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (207)	\$ (207)
Net Change in Fund Balances	-	-	(207)	(207)
Fund Balance, Beginning of Year	5,556	5,556	5,556	-
Fund Balance (Deficit), End of Year	<u>\$ 5,556</u>	<u>\$ 5,556</u>	<u>\$ 5,349</u>	<u>\$ (207)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – SLESF Local Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (7,644)	\$ (7,644)
Intergovernmental	125,000	125,000	161,285	36,285
Total Revenues	125,000	125,000	153,641	28,641
OTHER FINANCING USES				
Transfers Out	(125,000)	(125,000)	(125,004)	(4)
Total Other Financing Uses	(125,000)	(125,000)	(125,004)	(4)
Net Change in Fund Balances	-	-	28,637	28,637
Fund Balance, Beginning of Year	164,587	164,587	164,587	-
Fund Balance, End of Year	<u>\$ 164,587</u>	<u>\$ 164,587</u>	<u>\$ 193,224</u>	<u>\$ 28,637</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Measure M Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 358,902	\$ 358,902	\$ 448,054	\$ 89,152
Investment Losses	-	-	(52,102)	(52,102)
Total Revenues	358,902	358,902	395,952	37,050
EXPENDITURES				
Current:				
Capital Outlay	508,902	1,099,863	62,281	1,037,582
Total Expenditures	508,902	1,099,863	62,281	1,037,582
Net Change in Fund Balances	(150,000)	(740,961)	333,671	1,074,632
Fund Balance, Beginning of Year	1,076,179	1,076,179	1,076,179	-
Fund Balance, End of Year	\$ 926,179	\$ 335,218	\$ 1,409,850	\$ 1,074,632

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Road Maintenance & Rehab Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Losses	\$ -	\$ -	\$ (54,414)	\$ (54,414)
Intergovernmental	484,234	484,234	492,819	8,585
Total Revenues	484,234	484,234	438,405	(45,829)
EXPENDITURES				
Capital Outlay	737,015	1,342,022	66,782	1,275,240
Total Expenditures	737,015	1,342,022	66,782	1,275,240
Net Change in Fund Balances	(252,781)	(857,788)	371,623	1,229,411
Fund Balance, Beginning of Year	1,165,635	1,165,635	1,165,635	-
Fund Balance, End of Year	\$ 912,854	\$ 307,847	\$ 1,537,258	\$ 1,229,411

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Measure W Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 265,000	\$ 265,000	\$ 277,266	\$ 12,266
Investment Losses	-	-	(14,414)	(14,414)
Total Revenues	265,000	265,000	262,852	(2,148)
EXPENDITURES				
Current:				
Public Works	249,000	305,798	130,130	175,668
Capital Outlay	-	142,816	-	142,816
Total Expenditures	-	448,614	130,130	318,484
Net Change in Fund Balances	265,000	(183,614)	132,722	316,336
Fund Balance, Beginning of Year	217,551	217,551	217,551	-
Fund Balance, End of Year	<u>\$ 482,551</u>	<u>\$ 33,937</u>	<u>\$ 350,273</u>	<u>\$ 316,336</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Low Income Housing Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 471	\$ 471
Taxes	254,127	254,127	-	-
Total Revenues	254,127	254,127	471	(253,656)
EXPENDITURES				
Current:				
Community Development	4,810	4,810	3,836	974
Total Expenditures	4,810	4,810	3,836	974
Net Change in Fund Balances	249,317	249,317	(3,365)	(252,682)
Fund Balance, Beginning of Year	3,439,544	3,439,544	3,439,544	-
Fund Balance (Deficit), End of Year	\$ 3,688,861	\$ 3,688,861	\$ 3,436,179	\$ (252,682)

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Capital Outlay Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Capital Outlay	\$ -	\$ 1,951,688	\$ 143,903	\$ 1,807,785
Total Expenditures	-	1,951,688	143,903	1,807,785
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,951,688)	(143,903)	1,807,785
OTHER FINANCING SOURCES				
Transfers In	-	1,941,050	1,941,050	-
Total Other Financing Sources	-	1,941,050	1,941,050	-
Net Change in Fund Balances	-	(10,638)	1,797,147	1,807,785
Fund Balance, Beginning of Year	60,390	60,390	60,390	-
Fund Balance, End of Year	\$ 60,390	\$ 49,752	\$ 1,857,537	\$ 1,807,785

NONMAJOR ENTERPRISE FUNDS

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, 2022

	Compressed Natural Gas	Waste Disposal	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 171,233	\$ 50,272	\$ 221,505
Accounts Receivable	1,424	-	1,424
Total Current Assets	<u>172,657</u>	<u>50,272</u>	<u>222,929</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	-	53,657	53,657
Accumulated Depreciation	<u>-</u>	<u>(51,149)</u>	<u>(51,149)</u>
Total Noncurrent Assets	<u>-</u>	<u>2,508</u>	<u>2,508</u>
Total Assets	<u>172,657</u>	<u>52,780</u>	<u>225,437</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	26,526	-	26,526
Accrued Liabilities	<u>2</u>	<u>-</u>	<u>2</u>
Total Current Liabilities	<u>26,528</u>	<u>-</u>	<u>26,528</u>
NET POSITION			
Net Investment In Capital Assets	-	2,508	2,508
Unrestricted	<u>146,129</u>	<u>50,272</u>	<u>196,401</u>
Total Net Position	<u><u>\$ 146,129</u></u>	<u><u>\$ 52,780</u></u>	<u><u>\$ 198,909</u></u>

City of San Fernando
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	Compressed Natural Gas	Waste Disposal	Totals
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges for Services	\$ 130,516	\$ -	\$ 130,516
Other	<u>2,934</u>	<u>6,467</u>	<u>9,401</u>
Total Operating Revenues	<u>133,450</u>	<u>6,467</u>	<u>139,917</u>
OPERATING EXPENSES			
Maintenance and Operations	164,488	773	165,261
Depreciation	<u>-</u>	<u>2,630</u>	<u>2,630</u>
Total Operating Expenses	<u>164,488</u>	<u>3,403</u>	<u>167,891</u>
Operating Income (Loss)	<u>(31,038)</u>	<u>3,064</u>	<u>(27,974)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	1,534	412	1,946
Investment Losses	<u>(8,143)</u>	<u>(2,359)</u>	<u>(10,502)</u>
Total Nonoperating Revenues (Expenses)	<u>(6,609)</u>	<u>(1,947)</u>	<u>(8,556)</u>
Change in Net Position	(37,647)	1,117	(36,530)
Net Position, Beginning of Year	<u>183,776</u>	<u>51,663</u>	<u>235,439</u>
Net Position, End of Year	<u><u>\$ 146,129</u></u>	<u><u>\$ 52,780</u></u>	<u><u>\$ 198,909</u></u>

City of San Fernando
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	Compressed Natural Gas	Waste Disposal	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 129,092	\$ -	\$ 129,092
Payments to Suppliers and Contractors	(160,547)	(7,189)	(167,736)
Other Operating Income	2,934	6,467	9,401
Net Cash Flows from Operating Activities	<u>(28,521)</u>	<u>(722)</u>	<u>(29,243)</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Interest Paid	<u>(6,609)</u>	<u>(1,947)</u>	<u>(8,556)</u>
Net Decrease in Cash	(35,130)	(2,669)	(37,799)
Cash and Cash Equivalents - Beginning of Year	<u>206,363</u>	<u>52,941</u>	<u>259,304</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 171,233</u></u>	<u><u>\$ 50,272</u></u>	<u><u>\$ 221,505</u></u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	\$ (31,038)	\$ 3,064	\$ (27,974)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:			
Depreciation	-	2,630	2,630
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(1,424)	-	(1,424)
Increase (Decrease) in Accounts Payable	3,941	(6,416)	(2,475)
Net Cash Flows from Operating Activities	<u><u>\$ (28,521)</u></u>	<u><u>\$ (722)</u></u>	<u><u>\$ (29,243)</u></u>

INTERNAL SERVICE FUNDS

City of San Fernando
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,045,828	\$ 279,016	\$ 1,787,060	\$ 3,111,904
Accounts Receivable	13,535	269	54,204	68,008
Inventory	44,527	-	-	44,527
Total Current Assets	1,103,890	279,285	1,841,264	3,224,439
Noncurrent Assets:				
Capital Assets:				
Equipment	-	193,714	-	193,714
Vehicles	152,042	-	-	152,042
Less: Accumulated Depreciation	(20,582)	(33,092)	-	(53,674)
Total Noncurrent Assets	131,460	160,622	-	292,082
Total Assets	1,235,350	439,907	1,841,264	3,516,521
LIABILITIES				
Current Liabilities:				
Accounts Payable	73,226	141,826	117,289	332,341
Accrued Liabilities	6,921	27,392	-	34,313
Insurance Assessment Payable - Current	-	-	81,057	81,057
Lease-Purchase Agreement - Current	-	64,553	-	64,553
Claims Payable - Current	-	-	842,082	842,082
Total Current Liabilities	80,147	233,771	1,040,428	1,354,346
Noncurrent Liabilities:				
Insurance Assessment Payable	-	-	324,228	324,228
Claims Payable	-	-	2,610,608	2,610,608
Total Noncurrent Liabilities	-	-	2,934,836	2,934,836
Total Liabilities	80,147	233,771	3,975,264	4,289,182
NET POSITION				
Net Investment In Capital Assets	131,460	96,069	-	227,529
Unrestricted	1,023,743	110,067	(2,134,000)	(1,000,190)
Total Net Position (Deficit)	\$ 1,155,203	\$ 206,136	\$ (2,134,000)	\$ (772,661)

City of San Fernando
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2022

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
OPERATING REVENUES				
Charges for Services	\$ 416,508	\$ 1,325,289	\$ 1,256,326	\$ 2,998,123
Other	26,085	-	916,000	942,085
Total Operating Revenues	442,593	1,325,289	2,172,326	3,940,208
OPERATING EXPENSES				
Administration and General	237,312	1,296,957	2,093,786	3,628,055
Depreciation	20,582	33,092	-	53,674
Maintenance and Operations	362,180	209,843	-	572,023
Total Operating Expenses	620,074	1,539,892	2,093,786	4,253,752
Operating Income (Loss)	(177,481)	(214,603)	78,540	(313,544)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	8,780	2,353	10,219	21,352
Investment Losses	(48,222)	(12,794)	(71,223)	(132,239)
Total Nonoperating Expenses	(39,442)	(10,441)	(61,004)	(110,887)
Income (Loss) Before Transfers	(216,923)	(225,044)	17,536	(424,431)
Transfers In	197,000	170,004	60,000	427,004
Change in Net Position	(19,923)	(55,040)	77,536	2,573
Net Position (Deficit), Beginning of Year	1,175,126	261,176	(2,211,536)	(775,234)
Net Position (Deficit), End of Year	<u>\$ 1,155,203</u>	<u>\$ 206,136</u>	<u>\$ (2,134,000)</u>	<u>\$ (772,661)</u>

City of San Fernando
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	Governmental Activities			
	Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
Cash Flows from Operating Activities				
Cash Received from Interfund Services Provided	\$ 402,973	\$ 1,325,071	\$ 1,239,552	\$ 2,967,596
Cash Paid to Suppliers for Goods and Services	(321,070)	(182,996)	(2,057,554)	(2,561,620)
Cash Paid to Employees	(236,852)	(1,295,849)	-	(1,532,701)
Claims Paid	-	-	198,758	198,758
Other Operating Income	26,085	-	916,000	942,085
Net Cash Flows from Operating Activities	(128,864)	(153,774)	296,756	14,118
Cash Flows from Noncapital Financing Activity				
Transfers from Other Funds	197,000	170,004	60,000	427,004
Net Cash Flow from Noncapital Financing Activity	197,000	170,004	60,000	427,004
Cash Flows from Capital Financing Activities				
Payments on Long-term Debt	-	(62,678)	-	(62,678)
Acquisition of Capital Assets	(152,042)	-	-	(152,042)
Net Cash Flows from Capital Financing Activities	(152,042)	(62,678)	-	(214,720)
Cash Flows from Investing Activity				
Interest Paid	(39,442)	(10,441)	(61,004)	(110,887)
Net Increase (Decrease) in Cash	(123,348)	(56,889)	295,752	115,515
Cash and Cash Equivalents - Beginning of Year	1,169,176	335,905	1,491,308	2,996,389
Cash and Cash Equivalents - End of Year	<u>\$ 1,045,828</u>	<u>\$ 279,016</u>	<u>\$ 1,787,060</u>	<u>\$ 3,111,904</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (177,481)	\$ (214,603)	\$ 78,540	\$ (313,544)
Depreciation	20,582	33,092	-	53,674
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:				
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(13,535)	(218)	(16,774)	(30,527)
Increase in Inventory	(4,001)	-	-	(4,001)
Increase in Accounts Payable	45,111	26,847	117,289	189,247
Increase in Accrued Liabilities	460	1,108	-	1,568
Decrease in Insurance Payable	-	-	(81,057)	(81,057)
Increase in Claims Payable	-	-	198,758	198,758
Net Cash Flows from Operating Activities	<u>\$ (128,864)</u>	<u>\$ (153,774)</u>	<u>\$ 296,756</u>	<u>\$ 14,118</u>

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STATISTICAL SECTION

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This part of the City of San Fernando' 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 says 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 overtime.	127
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	137
<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 financial activities take place.	146
<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.	151
<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.	154

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	\$ 49,532,007	\$ 47,859,172	\$ 45,956,739	\$ 44,313,624	\$ 41,001,890
Restricted	1,802,498	11,909,107	5,887,197	5,926,880	5,847,710
Unrestricted	<u>(16,643,447)</u>	<u>(20,208,301)</u>	<u>(40,687,419)</u>	<u>(39,587,196)</u>	<u>(32,938,991)</u>
Total governmental activities net position	<u>\$ 34,691,058</u>	<u>\$ 39,559,978</u>	<u>\$ 11,156,517</u>	<u>\$ 10,653,308</u>	<u>\$ 13,910,609</u>
Business-type activities:					
Net investment in capital assets	\$ 14,420,860	\$ 14,866,478	\$ 14,634,533	\$ 14,592,937	\$ 14,515,239
Restricted	-	-	-	-	-
Unrestricted	<u>8,492,168</u>	<u>8,626,377</u>	<u>8,157,375</u>	<u>7,404,904</u>	<u>3,639,086</u>
Total business-type activities net position	<u>\$ 22,913,028</u>	<u>\$ 23,492,855</u>	<u>\$ 22,791,908</u>	<u>\$ 21,997,841</u>	<u>\$ 18,154,325</u>
Primary government:					
Net investment in capital assets	\$ 63,952,867	\$ 62,725,650	\$ 60,591,272	\$ 58,906,561	\$ 55,517,129
Restricted	1,802,498	11,909,107	5,887,197	5,926,880	5,847,710
Unrestricted	<u>(8,151,279)</u>	<u>(11,581,924)</u>	<u>(32,530,044)</u>	<u>(32,182,292)</u>	<u>(29,299,905)</u>
Total primary government net position	<u>\$ 57,604,086</u>	<u>\$ 63,052,833</u>	<u>\$ 33,948,425</u>	<u>\$ 32,651,149</u>	<u>\$ 32,064,934</u>

(Continued)

Source: City Finance Department

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

	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities:					
Net investment in capital assets	\$ 42,239,084	\$ 40,925,297	\$ 40,816,119	\$ 41,717,958	\$ 40,754,134
Restricted	17,998,631	20,621,615	21,199,073	24,260,931	32,145,559
Unrestricted	<u>(66,465,286)</u>	<u>(68,665,049)</u>	<u>(69,620,653)</u>	<u>(68,432,940)</u>	<u>(74,913,031)</u>
Total governmental activities net position	<u>\$ (6,227,571)</u>	<u>\$ (7,118,137)</u>	<u>\$ (7,605,461)</u>	<u>\$ (2,454,051)</u>	<u>\$ (2,013,338)</u>
Business-type activities:					
Net investment in capital assets	\$ 14,079,295	\$ 13,581,037	\$ 14,803,962	\$ 14,643,543	\$ 13,946,274
Restricted	-	-	-	-	-
Unrestricted	<u>(3,091,126)</u>	<u>(2,373,104)</u>	<u>(2,089,865)</u>	<u>(410,665)</u>	<u>(3,395,964)</u>
Total business-type activities net position	<u>\$ 10,988,169</u>	<u>\$ 11,207,933</u>	<u>\$ 12,714,097</u>	<u>\$ 14,232,878</u>	<u>\$ 10,550,310</u>
Primary government:					
Net investment in capital assets	\$ 56,318,379	\$ 54,506,334	\$ 55,620,081	\$ 56,361,501	\$ 54,700,408
Restricted	17,998,631	20,621,615	21,199,073	24,260,931	32,145,559
Unrestricted	<u>(69,556,412)</u>	<u>(71,038,153)</u>	<u>(71,710,518)</u>	<u>(68,843,605)</u>	<u>(78,308,995)</u>
Total primary government net position	<u>\$ 4,760,598</u>	<u>\$ 4,089,796</u>	<u>\$ 5,108,636</u>	<u>\$ 11,778,827</u>	<u>\$ 8,536,972</u>
					(Concluded)

Source: City Finance Department

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	\$ 6,459,914	\$ 4,619,200	\$ 4,935,760	\$ 7,744,559	\$ 4,769,539
Public safety	9,414,862	10,190,441	10,731,526	10,122,343	13,881,037
Community development	999,751	981,236	988,973	1,358,166	1,349,334
Public works	5,503,387	6,052,317	7,017,740	5,380,601	5,306,102
Parks and recreation	2,224,370	1,781,749	1,740,259	1,963,627	1,926,959
Interest on long-term debt	72,425	58,565	170,118	56,803	120,506
Total governmental activities expenses	<u>24,674,709</u>	<u>23,683,508</u>	<u>25,584,376</u>	<u>26,626,099</u>	<u>27,353,477</u>
Business-type activities:					
Water	3,172,962	2,981,710	3,204,499	3,260,071	3,692,438
Sewer	2,802,013	2,893,127	2,491,408	4,556,154	3,651,883
Compressed Natural Gas	-	-	-	-	-
Waste disposal	1,021,804	827,986	16,734	27,550	92,446
Total business-type activities expenses	<u>6,996,779</u>	<u>6,702,823</u>	<u>5,712,641</u>	<u>7,843,775</u>	<u>7,436,767</u>
Total primary government expenses	<u>31,671,488</u>	<u>30,386,331</u>	<u>31,297,017</u>	<u>34,469,874</u>	<u>34,790,244</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	513,512	820,334	758,286	647,141	583,386
Public safety	1,553,828	1,538,619	1,407,121	2,367,700	1,235,131
Community development	295,199	431,884	412,683	339,593	380,342
Public works	757,265	912,209	763,728	414,979	438,527
Parks and recreation	576,507	564,742	397,055	254,491	475,553
Operating grants and contributions	3,139,513	2,851,032	3,386,430	2,409,666	2,272,862
Capital grants and contributions	719,000	1,204,330	704,193	1,042,672	1,732,169
Total governmental activities program revenues	<u>7,554,824</u>	<u>8,323,150</u>	<u>7,829,496</u>	<u>7,476,242</u>	<u>7,117,970</u>
Business-type activities:					
Charges for services:					
Water	3,291,272	3,806,797	3,849,880	3,813,635	4,274,122
Sewer	2,892,407	3,326,587	3,401,436	3,336,251	3,368,071
Compressed Natural Gas	-	-	-	-	-
Waste disposal	1,131,929	858,516	-	6,651	12,984
Total business-type activities program revenues	<u>7,315,608</u>	<u>7,991,900</u>	<u>7,251,316</u>	<u>7,156,537</u>	<u>7,655,177</u>
Total primary government program revenues	<u>14,870,432</u>	<u>16,315,050</u>	<u>15,080,812</u>	<u>14,632,779</u>	<u>14,773,147</u>
Net revenues (expenses):					
Governmental activities	(17,119,885)	(15,360,358)	(17,754,880)	(19,149,857)	(20,235,507)
Business-type activities	318,829	1,289,077	1,538,675	(687,238)	218,410
Total net revenues (expenses)	<u>(16,801,056)</u>	<u>(14,071,281)</u>	<u>(16,216,205)</u>	<u>(19,837,095)</u>	<u>(20,017,097)</u>

(Continued)

Source: City Finance Department

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

	Fiscal Year				
	2018	2019	2020	2021	2022
Expenses:					
Governmental activities:					
General government	\$ 5,003,034	\$ 7,604,642	\$ 6,695,845	\$ 8,331,758	\$ 11,508,546
Public safety	13,046,118	13,844,371	15,706,963	12,449,356	20,651,820
Community development	1,275,585	1,357,983	1,448,244	1,791,458	3,047,990
Public works	4,966,748	5,085,991	4,587,387	5,856,079	2,872,863
Parks and recreation	1,735,878	1,819,230	1,912,396	1,965,303	2,134,123
Interest on long-term debt	128,661	88,665	86,044	100,653	417,763
Total governmental activities expenses	<u>26,156,024</u>	<u>29,800,882</u>	<u>30,436,879</u>	<u>30,494,607</u>	<u>40,633,105</u>
Business-type activities:					
Water	3,389,704	4,154,617	4,151,358	4,354,894	6,855,816
Sewer	4,458,457	3,703,978	2,860,657	3,011,816	5,312,532
Compressed Natural Gas	42,825	80,355	136,837	95,615	164,488
Waste disposal	5,898	3,227	3,284	5,961	3,403
Total business-type activities expenses	<u>7,896,884</u>	<u>7,942,177</u>	<u>7,152,136</u>	<u>7,468,286</u>	<u>12,336,239</u>
Total primary government expenses	<u>34,052,908</u>	<u>37,743,059</u>	<u>37,589,015</u>	<u>37,962,893</u>	<u>52,969,344</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	595,511	882,306	940,109	836,190	110,542
Public safety	1,243,148	1,196,184	1,185,587	958,218	1,036,628
Community development	400,844	525,102	575,485	492,207	498,787
Public works	423,286	462,055	415,899	489,028	490,496
Parks and recreation	445,635	439,805	282,675	131,349	268,658
Operating grants and contributions	3,032,809	2,777,539	2,851,522	3,927,950	6,089,498
Capital grants and contributions	1,910,721	1,154,463	1,059,134	5,194,218	7,390,400
Total governmental activities program revenues	<u>8,051,954</u>	<u>7,437,454</u>	<u>7,310,411</u>	<u>12,029,160</u>	<u>15,885,009</u>
Business-type activities:					
Charges for services:					
Water	4,411,292	4,426,813	4,656,746	4,993,300	5,234,121
Sewer	3,435,103	3,449,801	3,643,176	4,025,086	3,866,293
Compressed Natural Gas	68,467	117,355	187,994	140,910	133,450
Waste disposal	16,994	6,416	278	114	6,467
Total business-type activities program revenues	<u>7,931,856</u>	<u>8,000,385</u>	<u>8,488,194</u>	<u>9,159,410</u>	<u>9,240,331</u>
Total primary government program revenues	<u>15,983,810</u>	<u>15,437,839</u>	<u>15,798,605</u>	<u>21,188,570</u>	<u>25,125,340</u>
Net revenues (expenses):					
Governmental activities	(18,104,070)	(22,363,428)	(23,126,468)	(18,465,447)	(24,748,096)
Business-type activities	<u>34,972</u>	<u>58,208</u>	<u>1,336,058</u>	<u>1,691,124</u>	<u>(3,095,908)</u>
Total net revenues (expenses)	<u>(18,069,098)</u>	<u>(22,305,220)</u>	<u>(21,790,410)</u>	<u>(16,774,323)</u>	<u>(27,844,004)</u>

(Continued)

Source: City Finance Department

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property	\$ 6,650,806	\$ 8,406,309	\$ 7,871,457	\$ 8,739,138	\$ 8,867,169
Sales and use	2,637,297	4,175,825	5,313,426	6,437,739	7,911,392
Property taxes in lieu of sales and use taxes	867,581	963,741	1,022,777	962,590	-
Business license taxes	1,031,924	1,043,365	1,114,416	1,184,994	1,483,606
Franchise	297,319	409,176	613,793	636,652	636,457
Other taxes	357,190	374,933	315,247	334,419	350,636
Intergovernmental, unrestricted	-	-	-	-	-
Investment income (loss)	1,530	16,790	50,748	72,181	102,733
Gain on sale of property	-	-	1,033,066	-	-
Other	376,607	573,853	43,010	107,561	48,101
Transfers	121,000	4,265,286	187,688	181,000	180,000
Extraordinary gain	-	-	-	-	-
Total governmental activities	<u>12,341,254</u>	<u>20,229,278</u>	<u>17,565,628</u>	<u>18,656,274</u>	<u>19,580,094</u>
Business-type activities:					
Investment income (loss)	16,079	10,458	17,287	64,545	30,788
Other	-	-	-	-	-
Transfers	(121,000)	(719,708)	(187,688)	(181,000)	(180,000)
Total business-type activities	<u>(104,921)</u>	<u>(709,250)</u>	<u>(170,401)</u>	<u>(116,455)</u>	<u>(149,212)</u>
Total primary government	<u>12,236,333</u>	<u>19,520,028</u>	<u>17,395,227</u>	<u>18,539,819</u>	<u>19,430,882</u>
Changes in net position					
Governmental activities	(4,778,631)	4,868,920	(189,252)	(493,583)	(655,413)
Business-type activities	213,908	579,827	1,368,274	(803,693)	69,198
Total primary government	<u>\$ (4,564,723)</u>	<u>\$ 5,448,747</u>	<u>\$ 1,179,022</u>	<u>\$ (1,297,276)</u>	<u>\$ (586,215)</u>

(Continued)

- (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

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

	Fiscal Year				
	2018	2019	2020	2021	2022
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property	\$ 8,970,624	\$ 9,741,048	\$ 9,730,128	\$ 10,725,774	\$ 10,196,178 (1)
Sales and use	7,984,731	8,207,979	8,773,312	10,186,845	11,912,920
Property taxes in lieu of sales and use taxes	-	-	-	-	-
Business license taxes	1,629,779	1,601,969	1,658,301	1,554,102	1,669,084 (1)
Franchise	663,381	693,474	710,629	741,355	775,995
Other taxes	371,835	396,279	367,170	341,780	453,278 (1)
Intergovernmental, unrestricted	-	-	-	-	-
Investment income (loss)	122,016	564,893	591,883	7,759	(167,636)
Gain on sale of property	-	-	-	-	-
Other	192,512	87,220	323,826	239,242	187,967
Transfers	162,407	180,000	180,000	180,000	161,023
Extraordinary gain	-	-	-	-	- (2)
Total governmental activities	<u>20,097,285</u>	<u>21,472,862</u>	<u>22,335,249</u>	<u>23,976,857</u>	<u>25,188,809</u>
Business-type activities:					
Investment income (loss)	39,486	341,556	350,106	7,657	(425,637)
Other	-	-	-	-	-
Transfers	(162,407)	(180,000)	(180,000)	(180,000)	(161,023)
Total business-type activities	<u>(122,921)</u>	<u>161,556</u>	<u>170,106</u>	<u>(172,343)</u>	<u>(586,660)</u>
Total primary government	<u>19,974,364</u>	<u>21,634,418</u>	<u>22,505,355</u>	<u>23,804,514</u>	<u>24,602,149</u>
Changes in net position					
Governmental activities	1,993,215	(890,566)	(791,219)	5,511,410	440,713
Business-type activities	(87,949)	219,764	1,506,164	1,518,781	(3,682,568)
Total primary government	<u>\$ 1,905,266</u>	<u>\$ (670,802)</u>	<u>\$ 714,945</u>	<u>\$ 7,030,191</u>	<u>\$ (3,241,855)</u>
					(Concluded)

(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

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General fund:					
Nonspendable	\$ 392,931	\$ 739,783	\$ 371,547	\$ 329,717	\$ 66,703
Unassigned	<u>(2,139,983)</u>	<u>(6,433,688)</u>	<u>(4,485,592)</u>	<u>(3,409,964)</u>	<u>(1,541,792)</u>
Total general fund	<u>\$ (1,747,052)</u>	<u>\$ (5,693,905)</u>	<u>\$ (4,114,045)</u>	<u>\$ (3,080,247)</u>	<u>\$ (1,475,089)</u>
All other governmental funds:					
Nonspendable	\$ 94,787	\$ 118,720	\$ -	\$ -	\$ 1,000
Restricted	1,836,005	11,840,461	12,970,716	16,579,665	17,727,008
Unassigned	<u>(164,377)</u>	<u>(238,284)</u>	<u>(86,502)</u>	<u>(423,525)</u>	<u>(480,384)</u>
Total all other governmental funds	<u>\$ 1,766,415</u>	<u>\$ 11,720,897</u>	<u>\$ 12,884,214</u>	<u>\$ 16,156,140</u>	<u>\$ 17,247,624</u>

Source: City Finance Department

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

	Fiscal Year				
	2018	2019	2020	2021	2022
General fund:					
Nonspendable	\$ 66,308	\$ 1,140	\$ 1,600	\$ 234,255	\$ 7,384
Unassigned	<u>(274,561)</u>	<u>1,820,023</u>	<u>3,624,944</u>	<u>7,525,244</u>	<u>10,223,657</u>
Total general fund	<u>\$ (208,253)</u>	<u>\$ 1,821,163</u>	<u>\$ 3,626,544</u>	<u>\$ 7,759,499</u>	<u>\$ 10,231,041</u>
All other governmental funds:					
Nonspendable	\$ 1,896	\$ -	\$ -	\$ -	\$ -
Restricted	18,388,470	20,565,668	21,199,073	24,249,648	29,075,891
Unassigned	<u>(759,477)</u>	<u>(168,996)</u>	<u>(564,543)</u>	<u>(100,585)</u>	<u>(318,386)</u>
Total all other governmental funds	<u>\$ 17,630,889</u>	<u>\$ 20,396,672</u>	<u>\$ 20,634,530</u>	<u>\$ 24,149,063</u>	<u>\$ 28,757,505</u>

Source: City Finance Department

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 11,120,845	\$ 14,372,140	\$ 15,890,424	\$ 18,243,024	\$ 18,814,442
Licenses and permits	337,085	410,512	437,765	335,010	243,960
Charges for services	2,714,937	2,919,857	2,403,038	2,115,806	1,282,281
Fines and forfeitures	734,210	589,571	576,778	643,927	576,710
Investment earnings (losses)	218,923	232,404	231,535	240,049	268,368
Intergovernmental	4,467,012	4,615,312	4,636,669	3,641,035	4,543,228
Other	512,402	1,013,376	402,521	423,599	383,686
Total revenues	<u>20,105,414</u>	<u>24,153,172</u>	<u>24,578,730</u>	<u>25,642,450</u>	<u>26,112,675</u>
Expenditures					
Current:					
General government	4,967,021	2,398,576	2,902,267	5,915,423	4,575,208
Public safety	9,032,340	9,811,572	10,473,341	10,988,468	10,976,722
Community development	791,977	775,446	779,446	1,021,757	1,093,430
Public works	4,034,856	4,248,932	4,675,026	3,284,258	2,890,550
Parks and recreation	2,134,851	1,693,085	1,649,985	1,774,799	1,730,136
Capital outlay	427,999	464,855	239,126	1,291,817	2,017,716
Debt service:					
Principal	268,000	384,000	1,572,692	-	65,000
Interest and fiscal charges	72,425	58,565	170,118	27,559	147,271
Total expenditures	<u>21,729,469</u>	<u>19,835,031</u>	<u>22,462,001</u>	<u>24,304,081</u>	<u>23,496,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,624,055)</u>	<u>4,318,141</u>	<u>2,116,729</u>	<u>1,338,369</u>	<u>2,616,642</u>
Other financing sources (uses):					
Transfers in	3,338,164	11,677,345	1,520,854	628,658	424,262
Transfers out	(3,217,164)	(7,412,059)	(1,927,472)	(577,658)	(344,262)
Issuance of debt	-	-	-	2,785,000	-
Discount	-	-	-	131,355	-
Sale of property	-	-	1,033,066	-	-
Total other financing sources (uses)	<u>121,000</u>	<u>4,265,286</u>	<u>626,448</u>	<u>2,967,355</u>	<u>80,000</u>
Net change in fund balances	<u>\$ (1,503,055)</u>	<u>\$ 8,583,427</u>	<u>\$ 2,743,177</u>	<u>\$ 4,305,724</u>	<u>\$ 2,696,642</u>
Debt service as a percentage of noncapital expenditures	1.5%	2.1%	9.0%	0.1%	0.9%

Source: City Finance Department

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

	Fiscal Year				
	2018	2019	2020	2021	2022
Revenues:					
Taxes	\$ 19,667,257	\$ 18,814,442	\$ 20,275,158	\$ 23,389,661	\$ 25,511,611
Licenses and permits	279,620	243,960	427,751	326,352	307,168
Charges for services	1,238,793	1,282,281	1,091,558	804,704	1,704,485
Fines and forfeitures	436,941	576,710	601,491	507,441	436,977
Investment earnings (losses)	312,908	268,368	1,156,718	652,506	(1,003,052)
Intergovernmental	5,511,368	4,543,228	4,778,327	9,724,347	13,828,362
Other	526,313	383,686	553,673	492,219	186,920
Total revenues	<u>27,973,200</u>	<u>26,112,675</u>	<u>28,884,676</u>	<u>35,897,230</u>	<u>40,972,471</u>
Expenditures					
Current:					
General government	5,085,790	4,575,208	5,754,393	6,088,117	38,525,520
Public safety	11,746,344	10,976,722	12,861,226	12,462,556	13,761,519
Community development	1,056,819	1,093,430	1,269,661	1,395,892	1,152,739
Public works	2,849,581	2,890,550	2,847,769	2,870,545	3,140,952
Parks and recreation	1,604,650	1,730,136	1,854,561	1,552,613	2,198,823
Capital outlay	3,755,234	2,017,716	1,963,289	4,444,583	4,379,872
Debt service:					
Principal	80,000	65,000	85,000	604,174	1,819,761
Interest and fiscal charges	134,681	147,271	92,038	89,481	427,290
Total expenditures	<u>26,313,099</u>	<u>23,496,033</u>	<u>26,727,937</u>	<u>29,507,961</u>	<u>65,406,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,660,101</u>	<u>2,616,642</u>	<u>2,156,739</u>	<u>6,389,269</u>	<u>(24,434,005)</u>
Other financing sources (uses):					
Transfers in	469,234	424,262	583,805	470,000	2,859,602
Transfers out	(479,234)	(344,262)	(697,305)	(350,000)	(3,125,583)
Issuance of debt	-	-	-	1,498,189	31,780,000
Discount	-	-	-	-	-
Sale of property	-	-	-	-	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>80,000</u>	<u>(113,500)</u>	<u>1,618,189</u>	<u>31,514,019</u>
Net change in fund balances	<u>\$ 1,650,101</u>	<u>\$ 2,696,642</u>	<u>\$ 2,043,239</u>	<u>\$ 8,007,458</u>	<u>\$ 7,080,014</u>
Debt service as a percentage of noncapital expenditures	1.0%	0.9%	0.8%	2.8%	3.7%

Source: City Finance Department

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
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%
2022	1,302,779,137	399,672,614	370,612,016	66,056,507	114,603,029		2,253,723,303	0.03087%

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
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Agency	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
LA Community College District	0.04875	0.04454	0.04017	0.03575	0.03596	0.04599	0.04621	0.02717	0.04016	0.04376
LA Unified School District	0.17561	0.14644	0.14688	0.12971	0.13110	0.12219	0.12323	0.12552	0.13993	0.11323
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Tax District No. 1	0.28420	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357	0.16997
Direct and Overlapping Tax Rates ²	1.51206	1.45102	1.43887	1.41659	1.40303	1.40406	1.40028	1.36832	1.38716	1.33046
City Share of 1% Levy Per Prop 13 ³	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560	0.14560
Voter Approved City Debt Rate	0.28420	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357	0.16997
Redevelopment Rate ⁴	-	-	-	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.73694	0.39186	0.38353	0.38306	0.36884	0.36854	0.36433	0.34975	0.34140	0.30870

Notes:

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

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

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

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

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

City of San Fernando
Principal Property Taxpayers
Top Ten Property Owners Based on Net Values
Current Year and Nine Years Ago

Taxpayer	2021/22	
	Net Assessed Value	Percent of City's Total Net Assessed Value
Pharmavite LLC	\$ 35,351,729	1.57%
Rexford Industrial 1145 Arroyo LLC	30,774,591	1.37%
Rexford Industrial 1150 Aviation LLC	30,601,661	1.36%
Rexford Industrial 1245 Aviation LLC	26,851,943	1.19%
GC San Fernando LLC	24,518,322	1.09%
315 Partners LLC Lessor	23,999,345	1.06%
Foothill HD Retail Center LLC	22,300,241	0.99%
Rexford Industrial 1175 Aviation LLC	18,389,234	0.82%
Ahi Glenoaks Inc	18,126,600	0.80%
San Fernando Gateway LLC	16,794,463	0.75%
Total Top Ten \$	<u>247,708,129</u>	<u>10.99%</u>
Total Property Taxes \$	<u>2,253,723,303</u>	

Taxpayer	2012/13	
	Net Assessed Value	Percent of City's Total Net Assessed Value
CPF San Fernando LLC	\$ 70,741,892	4.65%
Pharmavite LLC	56,003,841	3.68%
SFVS Company LLC	20,452,887	1.34%
Foothill HD Retail Center LLC	19,217,676	1.26%
Ahi Glenoaks Inc.	15,620,950	1.03%
San Fernando Gateway LLC	14,472,968	0.95%
315 Partners LLC	13,809,816	0.91%
San Fernando Associates	10,266,420	0.67%
SF Senior Housing LP Aszkenazy	8,712,553	0.57%
San Fernando Valley Automotive LLC	8,695,453	0.57%
Total Top Ten \$	<u>237,994,456</u>	<u>15.63%</u>
Total Property Taxes \$	<u>1,522,426,847</u>	

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
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%
2022	5,853,804	6,471,752	110.56%	(9,270)	6,462,482	110.40%

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
Current Year and Nine Years Ago**

For Fiscal Year 2021-22

<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
Ganas Auto	Used Automotive Dealers
Goodman Distribution	Contractors
Home Depot	Building Materials
IHOP	Casual Dining
Maclay Shell & Circle K	Service Stations
McDonald's	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Pool & Electrical Products	Plumbing/Electrical Supplies
Production Resource Group	Contractors
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Smart & Final	Grocery Stores
T Mobile	Electronics/Appliance Stores
TMB Production Supplies & Services	Electrical Equipment
Truman Fuel	Service Stations
USB Leasing	Auto Lease
Vallarta Supermarket	Grocery Stores
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 67.88%

* Firms Listed Alphabetically

Period: July 2021 Thru June 2022

City of San Fernando
Top 25 Sales Tax Producers (Continued)
Current Year and Nine Years Ago

For Fiscal Year 2012-13

<u>Business Name</u>	<u>Business Category</u>
Acey Decy Lighting	Repair Shop/Equip. Rentals
Arco	Service Stations
Arroyo Building Materials	Building Materials
Boener Truck Center	New Motor Vehicle Dealers
Casco	Contractors
El Pollo Loco	Quick Service Restaurants
El Super	Grocery Stores
Food 4 Less	Grocery Stores
Global HVAC Distributors	Plumbing/Electrical Supplies
Goodman Distribution	Contractors
Home Depot	Building Materials
Honda Lease Trust	Auto Lease
IHOP	Casual Dining
Jack in the Box	Quick Service Restaurants
McDonalds	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Pep Boys	Automotive Supply Stores
Pharmavite	Drugs/Chemicals
Pool & Electrical Products	Plumbing/Electrical Supplies
Sams Club	Discount Dept. Stores
Southland Lighting	Plumbing/Electrical Supplies
TMB Production Supplies	Electrical Equipment
Truman 76	Service Stations
Vallarta Supermaket	Grocery Stores
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 70.49%

* Firms Listed Alphabetically

Period: July 2012 Thru June 2013

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 9,728	\$ 9,453	\$ 9,430	\$ 10,410	\$ 11,449
Food Stores	13,558	15,747	13,755	14,084	15,033
Eating and Drinking Places	49,154	52,942	54,660	61,175	66,313
Building Materials	69,340	86,283	90,292	96,112	102,799
Auto Dealers and Supplies	28,834	47,098	83,207	89,543	105,405
Service Stations	19,006	17,864	16,736	15,301	13,545
Other Retail Stores	56,220	55,934	57,238	63,804	64,745
All Other Outlets	<u>81,711</u>	<u>87,492</u>	<u>94,765</u>	<u>111,902</u>	<u>123,989</u>
 Total	 \$ <u>327,551</u>	 \$ <u>372,813</u>	 \$ <u>420,083</u>	 \$ <u>462,331</u>	 \$ <u>503,278</u>

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 (Continued)
Last Ten Calendar Years
(in thousand of dollars)
Adjusted for Economic Data

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Apparel Stores	\$ 11,799	\$ 12,361	\$ 12,393	\$ 11,244	\$ 15,098
Food Stores	15,638	16,028	16,168	16,725	16,881
Eating and Drinking Places	72,031	75,973	79,178	73,790	86,124
Building Materials	114,471	121,603	124,136	128,863	143,209
Auto Dealers and Supplies	102,604	109,902	127,894	139,414	167,705
Service Stations	12,927	14,988	14,421	9,974	19,911
Other Retail Stores	64,723	39,534	34,860	36,976	42,380
All Other Outlets	<u>126,499</u>	<u>144,155</u>	<u>154,162</u>	<u>193,892</u>	<u>198,055</u>
 Total	 \$ <u>520,692</u>	 \$ <u>534,544</u>	 \$ <u>563,212</u>	 \$ <u>610,878</u>	 \$ <u>689,363</u>

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
Water Customers
Current Year and Nine Years Ago

2022			2013		
Water Customer	Water Charges	Percent of Total Water Revenues	Water Customer	Water Charges	Percent of Total Water Revenues
Pharmavite Corporation	\$ 62,395	1.30%	Pharmavite Corporation	\$ 40,918	1.36%
LA Board of Education	29,816	0.62%	Pharmavite Corporaton	19,532	0.65%
Pharmavite Corporation	28,105	0.59%	Mission Park Apartment	16,322	0.54%
LA Board of Education	28,096	0.59%	Bitman, Boris Bruce	13,696	0.45%
Soo Bin IM	24,626	0.51%	Martin & Denise Rile	13,573	0.45%
MSN Holdings	23,882	0.50%	LA Board of Education	12,305	0.41%
San Fernando City	22,612	0.47%	Home Depot #609	10,263	0.34%
Ssn Fernando City	21,628	0.45%	Fresenius Medical CA	9,893	0.33%
LA Board of Education	19,781	0.41%	Majers, Olin	9,639	0.32%
County of Los Angeles	<u>18,529</u>	<u>0.39%</u>	Puretek Corp.	<u>8,773</u>	<u>0.29%</u>
Total Top Ten	\$ <u>279,471</u>	<u>5.84%</u>	Total Top Ten	\$ <u>154,915</u>	<u>5.13%</u>
Total Water Revenue	\$ <u>4,789,524</u>		Total Water Revenue	\$ <u>3,017,900</u>	

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

Fiscal Year Ended June 30	Governmental Activites		Business-type Activites		Total	Percentage of Personal Income	Per Capita
	Certificates of Participation	Loans*	2021 Pension Obligation Bonds*	2020 Installment Sale Agreement			
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
2022	2,382,089	666,443	35,100,000	1,100,000	39,248,532	6.55%	1,654

Notes:

* Includes both Governmental and Business-type Activities.

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/PST045221> visited 12/13/2022.

City of San Fernando
Direct and Overlapping Debt
As of June 30, 2022

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt:			
240.01 San Fernando 2016 Installment Sale Agreement	\$ 2,285,000	100.000	\$ 2,285,000
240.01 San Fernando Premium	97,089	100.000	97,089
240.01 San Fernando Radio Equip Purchase	563,807	100.000	561,209
240.01 San Fernando Taxable POBS, Series 2021A	30,540,000	100.000	30,540,000
Total Direct Debt	33,485,896		33,483,298
Overlapping Debt:			
* 001.05 Metropolitan Water District	9,835,780	0.130	12,799
805.55 LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.225	4,765
805.56 LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.225	71,089
805.65 LA CCD DS 2008, 2009 Taxable Ser B	75,000,000	0.225	168,964
805.66 LA CCD DS 2008, 2010 Tax Series D	125,000,000	0.225	281,606
805.67 LA CCD DS 2008, 2010 Tax Ser E (BABS)	900,000,000	0.225	2,027,566
805.69 LA CCD DS 2013	13,000,000	0.225	29,287
805.70 LA CCD DS 2013 Ref Bonds	8,380,000	0.225	18,879
805.71 LA CCD DS 2008 Series G	30,765,000	0.225	69,309
805.73 LA CCD DS 2015 Ref Series A	144,260,000	0.225	324,996
805.74 LA CCD DS 2015 Ref Series B	14,965,000	0.225	33,714
805.75 LA CCD DS 2015 Ref Series C	178,565,000	0.225	402,280
805.76 LA CCD DS 2008 Series 1	184,220,000	0.225	415,020
805.77 LA CCD DS 2008 Series J	173,020,000	0.225	389,788
805.78 LA CCD DS 2016 Ref Bonds	239,880,000	0.225	540,414
805.84 LA CCD DS 2020 Ref Bonds	1,750,350,000	0.225	3,943,278
805.86 LA CCD DS 2016 Series C	275,440,000	0.225	620,525
887.86 Los Angeles Unif DS 2002 Series E (BABS)	200,000,000	0.275	550,761
887.89 Los Angeles Unif DS 2005 Series H	207,560,000	0.275	571,580
887.92 Los Angeles Unif Measure R Series KRY BABS	363,005,000	0.275	999,645
887.93 Los Angeles Unif Measure Y 2009 Series KRY BABS	806,795,000	0.275	2,221,756
887.98 Los Angeles Unif Measure R 2010 Series RY BABS	477,630,000	0.275	1,315,300
887.99 Los Angeles Unif Measure Y 2010 Series RY BABS	772,955,000	0.275	2,128,568
888.55 Los Angeles Unif DS 2005 2010 Series J-1 QSCBS	115,480,000	0.275	318,009
888.56 Los Angeles Unif DS 2005 2010 Series J-2 QSCBS	60,710,000	0.275	167,184
888.59 Los Angeles Unif DS 2012 Refunding Bond Series A	27,435,000	0.275	75,551
888.60 Los Angeles Unif DS 2014 Ref Bond Series A	17,090,000	0.275	47,063
888.61 Los Angeles Unif DS 2014 Ref Bond Series B	20,480,000	0.275	56,398
888.62 Los Angeles Unif DS 2014 Ref Bond Series C	100,155,000	0.275	275,807
888.63 Los Angeles Unif DS 2014 Ref Bond Series D	713,850,000	0.275	1,965,804
888.68 Los Angeles Unif DS 2015 Ref Bond Series A	95,430,000	0.275	262,796
888.69 Los Angeles Unif DS 2008 Series A 2016	164,550,000	0.275	453,139
888.70 Los Angeles Unif DS 2016 Ref Bonds Series A	359,570,000	0.275	990,186
888.71 Los Angeles Unif DS 2016 Ref Bonds Series B	238,230,000	0.275	656,039

City of San Fernando
Direct and Overlapping Debt (Continued)
As of June 30, 2022

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt (Continued):			
888.72 Los Angeles UnifDS 2017 Ref Bonds Ser A Prop BB	\$ 498,240,000	0.275	\$ 1,372,056
888.73 Los Angeles UnifDS 2017 Ref Bonds Ser A Meas K	109,935,000	0.275	302,740
888.74 Los Angeles UnifDS 2005 Series M 1 2018	921,240,000	0.275	2,536,916
888.76 Los Angeles UnifDS 2008 Series B 1 2018	108,220,000	0.275	298,017
888.78 Los Angeles UnifDS 2019 Ref2002 Ser D Meas K	1,007,820,000	0.275	2,775,340
888.79 Los Angeles UnifDS 2019 Ref2004 Ser I Meas R	135,105,000	0.275	372,053
888.80 Los Angeles UnifDS 2019 Ref2005 Ser F Meas Y	299,825,000	0.275	825,660
888.82 Los Angeles Unif Measure R 2020 Series RYQ	81,115,000	0.275	223,375
888.83 Los Angeles Unif Measure Y 2020 Series RYQ	29,955,000	0.275	82,490
888.84 Los Angeles Unif Measure Q 2020 Series RYQ	151,450,000	0.275	417,064
888.85 Los Angeles UnifDS Measure Q Ser C 2020	603,245,000	0.275	1,661,219
888.86 Los Angeles Unif2020 Ref A Meas K	108,865,000	0.275	299,793
888.87 Los Angeles Unif2020 Ref A Meas R	108,375,000	0.275	298,444
888.88 Los Angeles Unif2020 Ref A Meas Y	74,215,000	0.275	204,374
888.89 Los Angeles Unif2021 Ref A Prop BB	893,005,000	0.275	2,459,162
888.91 Los Angeles Unif2021 Ref A Meas Q	673,280,000	0.275	1,854,082
Total Overlapping Debt:			38,392,648
Total Direct and Overlapping Debt			71,875,946

2021/2022 Assessed Valuation: \$1,442,195,313 After Deducting \$811,527,990 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	2.32%
	Overlapping Debt	2.66%
	Total Debt	4.98%

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

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Assessed Valuation	\$ 1,522,426,847	\$ 1,559,841,135	\$ 1,632,412,360	\$ 1,685,676,080	\$ 1,791,249,290
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	380,606,712	389,960,284	408,103,090	421,419,020	447,812,323
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	57,091,007	58,494,043	61,215,464	63,212,853	67,171,848
Total Net Debt Applicable To Limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 57,091,007</u>	<u>\$ 58,494,043</u>	<u>\$ 61,215,464</u>	<u>\$ 63,212,853</u>	<u>\$ 67,171,848</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.

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

	Fiscal Year				
	2018	2019	2020	2021	2022
Assessed Valuation	\$ 1,854,633,401	\$ 1,942,294,308	\$ 2,045,544,796	\$ 2,176,500,330	\$ 2,253,723,303
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	463,658,350	485,573,577	511,386,199	544,125,083	563,430,826
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	69,548,753	72,836,037	76,707,930	81,618,762	84,514,624
Total Net Debt Applicable To Limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 69,548,753</u>	<u>\$ 72,836,037</u>	<u>\$ 76,707,930</u>	<u>\$ 81,618,762</u>	<u>\$ 84,514,624</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.

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

<u>Calendar Year</u>	<u>Population ¹</u>	<u>California Metropolitan Personal Income (in thousands) ¹</u>	<u>California Metropolitan Per Capita Personal Income ¹</u>	<u>Unemployment Rate ²</u>
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%
2022	23,726	598,868,000	25,241	7.0%

Data Sources ¹ US Census Bureau
² US Bureau Of Labor Statistics (data shown is for the metropolitan area of L.A.-Long Beach-Anaheim).

City of San Fernando
Miscellaneous and Demographic Statistics

Date Incorporated August 31, 1911

Form of Government Council-City Manager

Land Area 2.42 square miles

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

Building Permits	<u>Calendar Year</u>	<u># Permits</u>	<u>Valuation</u>
	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
	2022	1,037	102,225,000

City of San Fernando
Principal Employers
Current Year and Nine Years Ago

2021-22			2012-13		
Business Name	Number of Employees	Percent of Total	Business Name	Number of Employees	Percent of Total
Los Angeles Unified School District	2,145	18.03%	Los Angeles Unified School District	710	6.76%
Pharmavite LLC	343	2.88%	Pepsi Beverages Company	282	2.69%
Pepsi Beverages Company	320	2.69%	Home Depot	224	2.13%
Home Depot	300	2.52%	Los Angeles County Superior Court*	356	3.39%
Los Angeles County Superior Court *	250	2.10%	Puretek Corporation	170	1.62%
Puretek Corporation	196	1.65%	Sam's Club	180	1.71%
Production Resource Group LLC	151	1.27%	Valley Crest Landscape Co.	118	1.12%
Northeast Valley Health Group	150	1.26%	Newco International	115	1.10%
Vallarta Supermarkets	144	1.21%	7 Up RC Bottling	110	1.05%
Ricon Corp	118	0.99%	City of San Fernando	100	0.95%
Total Top Ten Employers	<u>4,117</u>	<u>34.60%</u>	Total Top Ten Employers	<u>2,365</u>	<u>22.52%</u>
Total City Labor Force ⁽¹⁾	<u>11,900</u>		Total City Labor Force	<u>10,500</u>	

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

<u>Function</u>	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	14	14	14	15	15	15	15	15	15	16
Community Development	9	8	8	8	8	8	8	8	8	7
Public Safety	50	48	48	47	48	48	49	49	49	54
Public Works	36	35	34	34	34	34	34	36	35	32
Recreation and Community Services	24	30	32	24	24	24	24	24	24	24
Total	133	135	136	128	129	129	130	132	132	133

City of San Fernando
Operating Indicators by Function
Last Ten Years

Function	Calendar Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests	683	581	612	1,007	965	881	833	903	991	740
Parking Citations Issued	10,699	8,654	10,730	9,745	8,691	9,602	12,471	9,683	9,198	5,803

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

Function	Fiscal Year				
	2013	2014	2015	2016	2017
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	8	8	8	8
Recreation Centers	2	2	2	2	2
Water:					
Water Mains (miles)	66.88	66.88	66.88	66.88	66.88
Maximum Daily Pumping Capacity	600	600	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

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

Function	Fiscal Year				
	2018	2019	2020	2021	2022
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

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