



THE CITY OF
SAN FERNANDO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2023

SAN FERNANDO,
CALIFORNIA



CITY OF SAN FERNANDO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared By:
Finance Department

City of San Fernando
Annual Comprehensive Financial Report
Year Ended June 30, 2023

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	PAGE
Letter of Transmittal	1 - 18
Directory of Officials	19
Organization Chart	20
Certificate of Achievement for Excellence in Financial Reporting	21
 II. FINANCIAL SECTION	
Independent Auditor's Report	22 - 24
Management's Discussion & Analysis	25 - 40
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	41
Statement of Activities	42 - 43
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	44
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	45
Statement of Revenues, Expenditures and Changes in Fund Balances	46
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	47
Proprietary Funds:	
Statement of Net Position	48
Statement of Revenues, Expenses and Changes in Net Position	49
Statement of Cash Flows	50
Fiduciary Funds:	
Statement of Net Position	51
Statement of Changes in Net Position	52
Notes to Financial Statements	53 - 80
Required Supplementary Information:	
Schedule of Changes in Total OPEB Liability and Related Ratios	81
Schedule of the City's Proportionate Share of the Net Pension Liability	82
Schedule of Plan Contributions	83
Budgetary Comparison Schedules - Major Governmental Funds:	
General Fund	84
Retirement Tax Fund	85
ARPA Fund	86
Notes to Required Supplementary Information	87
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Capital Grants Fund	88
Combining Balance Sheet - Other Governmental Funds	91 - 95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds	96 - 100
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Measure R Fund	101
Mall Maintenance Operations Fund	102
Proposition A Local Transit Fund	103
Proposition C Discretionary Fund	104
Traffic Safety Fund	105
Parking Maintenance and Operations Fund	106
Local Transportation Fund	107
Recreation Fund	108
Quimby Act Fees Fund	109
Street Lighting Fund	110

City of San Fernando
Annual Comprehensive Financial Report
Year Ended June 30, 2023

TABLE OF CONTENTS – Continued

Supplementary Information - Continued:	PAGE
State Asset Forfeiture Fund	111
State Gas Tax Fund	112
Federal Asset Forfeiture Fund	113
AQMD Fund	114
Cash-in-Lieu of Parking Fund	115
Pavement Management Fund	116
Proposition C Fund	117
Community Development Block Grant Fund	118
Community Development Surcharge Fund	119
Operating Grants Fund	120
STP Local Fund	121
SLESF Fund	122
Measure M Fund	123
Road Maintenance & Rehab Fund	124
Housing Fund	125
Capital Outlay Fund	126
Combining Statement of Net Position – Nonmajor Enterprise Funds	128
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds	129
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	130
Combining Statement of Net Position - Internal Service Funds	131
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	132
Combining Statement of Cash Flows - Internal Service Funds	133
 III. STATISTICAL SECTION	
Description of Statistical Section Contents	134
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	135 - 136
Changes in Net Position - Last Ten Years	137 - 140
Fund Balances of Governmental Funds - Last Ten Fiscal Years	141 - 142
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	143 - 144
Revenue Capacity:	
Assessed Value of Taxable Property - Last Ten Fiscal Years	145
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	146
Principal Property Taxpayers (Top Ten) - Current Year and Nine Years Ago	147
Property Tax Levies and Collections - Last Ten Fiscal Years	148
Top 25 Sales Tax Producers – Current Year and Nine Years Ago	149 - 150
Taxable Sales by Category – Last Ten Calendar Years	151 - 152
Water Customers - Current Year and Nine Years Ago	153
Debt Capacity:	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	154
Direct and Overlapping Debt	155
Legal Debt Margin Information - Last Ten Fiscal Years	156 - 157
Demographic and Economic Information:	
Demographic and Economic Statistics	158
Miscellaneous and Demographic Statistics	159
Principal Employers - Current Year and Nine Years Ago	160
Operating Information:	
Full-time Equivalent City Employees by Function - Last Ten Fiscal Years	161
Operating Indicators by Function - Last Ten Calendar Years	162 - 163
Capital Asset Statistics by Function - Last Ten Fiscal Years	164 - 165

INTRODUCTORY SECTION



THE CITY OF SAN FERNANDO

CITY COUNCIL

February 28, 2024

MAYOR
CELESTE T. RODRIGUEZ

Honorable Mayor and City Council Members
Residents of San Fernando

VICE MAYOR
MARY MENDOZA

COUNCILMEMBER
JOEL FAJARDO

COUNCILMEMBER
CINDY MONTAÑEZ

COUNCILMEMBER
MARY SOLORIO

The Annual Comprehensive Financial Report (ACFR) of the City of San Fernando, California for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of San Fernando. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of San Fernando, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

FINANCE DEPARTMENT

117 MACNEIL STREET
SAN FERNANDO
CALIFORNIA
91340

ADMINISTRATIVE
DIVISION
(818) 898-1200

BUSINESS LICENSE DIVISION
(818) 898-1245

TREASURER DIVISION
(818) 898-1207

WATER DIVISION
(818) 898-1213

The City of San Fernando City Code requires an annual audit by an independent certified public accountant. The City's financial statements have been audited by Van Lant & Fankhanel, LLP; a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The purpose of the independent audit is to provide reasonable assurance that the financial statements of the City of San Fernando for the fiscal year ended June 30, 2023, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of San Fernando's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The City is required to undergo the annual single audit in conformance with provisions of

the Single Audit Act Amendments of 1996 and the Uniform Guidance. The Single Audit Report, which is issued separately, includes the schedule of federal expenditures, findings and recommendations, the auditors' reports on the internal control structure and compliance with applicable laws and regulations.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

PROFILE OF THE CITY OF SAN FERNANDO

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

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

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

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

The Annual Budget, as adopted by the City Council, establishes the total appropriation provided for each City Department's operations. Expenditures may not legally exceed budgeted appropriations at the Department level within a fund. The Director of Finance is authorized to transfer budget amounts within salary accounts and within Maintenance and

Honorable Mayor and City Council Members

Residents of San Fernando

Page 3 of 18

Operations accounts at his/her discretion. The City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least three members. The City's general ledger is maintained by the line item detail or object of expenditure. Revenues are estimated annually and measured against actual revenues earned.

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

History of San Fernando

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

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

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

FINANCIAL CONDITION AND OUTLOOK

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 unemployment, increasing household income and personal consumption, and most stock market indices were at record levels.

This long economic expansion was brought to an abrupt stop in March 2020 as pandemic-induced restrictions led to soaring unemployment and plummeting consumer spending. Governor Newsom officially ended the COVID-19 declared emergency on February 28, 2023. While there has been an economic recovery over the past two years, COVID-19 dramatically altered lives and significantly impacted regional, state, national, and global economies. The actions taken to stabilize the economy throughout the pandemic were unprecedented and will impact global economies for the foreseeable future.

The following analysis of the federal, state and local economic outlooks provide context for the City's revenues during the 2023 fiscal year.

Federal Economy

Inflation and the Federal Reserve's response to it (i.e. seven interest rate increases in 2022) were the focus of economic policy in 2022 as prices increased at a pace not seen since stagflation in the 1970's and 1980's. Conversely, Gross Domestic Product (GDP), which is a measure of output for the US economy, increased by only 1.1% in 2022. GDP is expected to grow by approximately 0.8% in 2023 and 1.5% in 2024, which represents very slow growth, by historical standards.

The U.S. labor market has rebounded from the pandemic as well. The unemployment rate, which was 5.4% in 2021, improved to 3.7% by the end of 2022. Despite very low unemployment, the labor pool in the United States continues to shrink as the trend of more workers leaving the workforce then entering it continues. This has created a tight labor market, resulting in increased salaries for many workers.

Inflation became the main economic headline in 2022 as the Consumer Price Index (CPI) rose significantly again in 2022. CPI hit 8.0% in 2022, which is the highest rate since 1979. Inflation is, effectively, a tax on the economy as consumers have to spend more of their disposable income to buy the same amount, or fewer, goods than in the past. The Federal Reserve has been consistently increasing baseline interest rates to increase the value of money and offset inflation. It remains to be seen how the policy of raising interest rates to curb inflation will impact the economy.

Contrary to the strong performance of U.S. stocks in 2020 and 2021, stock markets in 2022 experienced sizeable losses and increased volatility. This suggests pessimism, or at least significant uncertainty, by investors in the Federal Reserve's ability to curb inflation without pushing the country into a recession.

In summary, the national economy shows some stability, with the U.S. GDP reporting solid growth going into 2023 and the labor market experiencing robust job production and record low unemployment. However, continued high inflation, increasing interest rates, continued supply chain disruptions, and a volatile stock market are signaling an economic slowdown over the next year.

State Economy

California's economy has significantly recovered from the pandemic-induced downturn as many economic indicators are back to their pre-pandemic levels. The focus of California economic policy makers will be the effects of Federal Reserve policy, inflation, and supply chain instability on the California economy. Throughout the pandemic, California experienced its first recorded decline in population since recording began over 100 years ago. This trend continued in 2022 as an additional 210,000 residents left the state. Continued population declines could have long-term implications for California's economic vitality.

Housing affordability continues to be an ongoing public policy challenge and is the primary issue driving the California population flight. 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.

Although the employment situation in California continued to improve in 2022 (unemployment in December 2022 was 4.1%), a slew of recent layoffs by large technology companies may be cause for concern in 2023. Job growth is expected to slow in 2023, with most of the growth in the Education and Health sectors. Jobs in Manufacturing, Transportation/Trade, Construction, and Financial Activities sectors are expected to contract in 2023 and 2024.

While California significantly recovered from the pandemic-induced downturn in 2021, and experienced a record budget surplus in 2022, economic challenges remain. The high cost of housing, high inflation, Federal Reserve fiscal policy, and population migration out of California, represent continuing threats to the California economy and are expected to hamper growth in 2023.

Local Economy

The resiliency of San Fernando's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service business such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp, and Vallarta. Conversely, 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. To support small businesses, the City Council provided \$10,000 grants to 40 small San Fernando businesses and supported the San Fernando Outdoor Market through fee waivers and City staff to close the streets, manage traffic, and provide safety services.

There are a few large projects currently under construction that are expected to open in 2023 and add to the City's economic base. American Fruits and Flavors, which manufactures Monster Energy Drinks, is expected to complete construction of a 165,000 square foot manufacturing facility in the Fall. When fully operational, the new facility will be home to more than 300 jobs. Additionally, a new Target is under construction and is also expected to be completed in Fall 2023. The new Target is expected to add a significant amount of sales tax to the City's General Fund revenue once it is open and fully operational.

Honorable Mayor and City Council Members

Residents of San Fernando

Page 6 of 18

The City recently hired a Deputy City Manager/Economic Development to focus on developing and implementing economic development programs, support local businesses to facilitate a business friendly environment, and lead business recruitment and retention efforts. The City also awarded a contract to a consultant to develop a Downtown Master Plan. Development of this Plan includes a significant amount of public outreach to develop a long-term vision for the City's downtown and Maclay commercial corridors. These efforts are critical to make the local economy even more resilient in the long term.

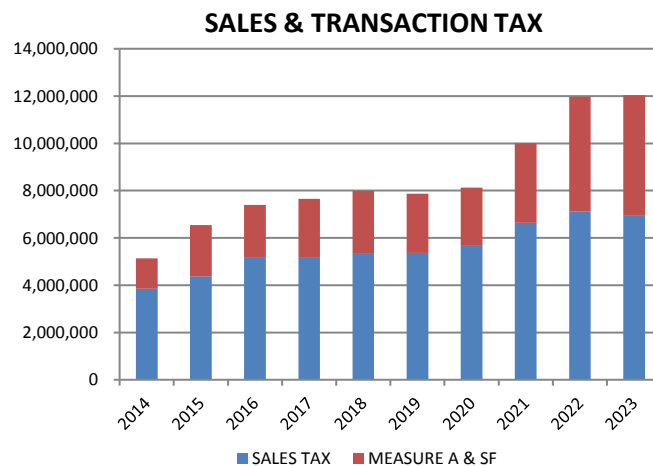
San Fernando's local economy and customer base proved to be resilient throughout the pandemic. The City has a solid base of retail, manufacturing, personal service, and restaurant businesses that provide sales and business taxes that have consistently grown over the past 10 years. With affordable lease 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 stable over the next fiscal year.

Major General Fund Revenue

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

Sales, Use and Transaction Tax

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



In addition to the state, county, and local sales and use tax, San Fernando voters approved a ½-cent (0.5%) local transaction tax (commonly referred to as “Measure A”) in June 2013. “Measure A” was due to sunset within seven years. In November 2018, voters approved to extend the tax indefinitely. In November 2020, San Fernando voters approved an additional (0.25%) local transaction use tax (Measure SF) to keep sales tax local and avoid other

taxing entities from passing a transaction tax that would otherwise be imposed on San Fernando customers, but spent regionally rather than locally. The total local transaction use tax revenues totaled \$5.1 million, which is an increase of 5.5% over prior year proceeds due largely to FY2022-2023 continued economic recovery and improvements.

Sales, use and transaction tax (Sales Tax) is the City's largest revenue, accounting for almost 44.0% of total General Fund revenues. Since Sales Tax revenue is a function of business and consumer spending on tangible personal property, it is highly sensitive to economic cycles. The resiliency of San Fernando's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service business such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp., and Vallarta. The City does not have a significant leisure and tourism industry, which was hit the hardest by the COVID-19 restrictions.

Locally, sales taxes experienced accelerated growth following the pandemic but have since slowed down. Sales Tax revenues experienced a slight decline in FY 2022-2023 of 2.7% which is again attributable to the market slow down with growth patterns instead reaching peak.

Property Tax

Property tax is an ad valorem tax levied on property owners in the City of San Fernando. The property tax rate is limited by Proposition 13 to 1% of the property's assessed value, which is typically established as the property's purchase price. Each year thereafter, the property's assessed value increases by two percent

(2%) or the rate of inflation, whichever is lower, until the property is sold and re-assessed.

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 16% 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 continued through 2023 due to strong market conditions and local

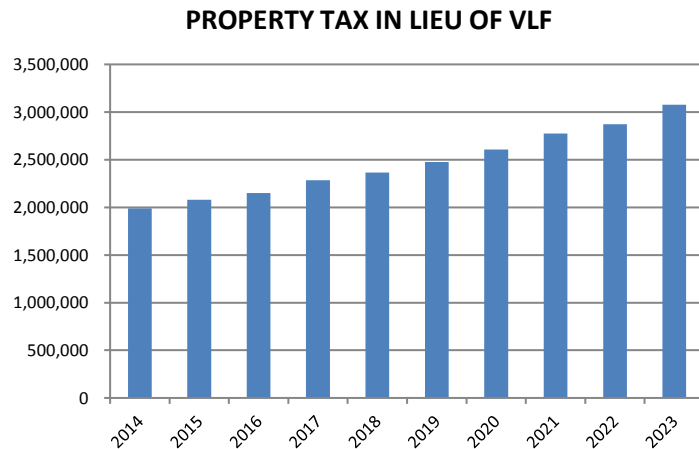


investment. The median of a Single Family Residential sales price has increased from \$545,000 to \$675,000 over the last two years.

Although Proposition 13 limits the annual increase of Assessed Values to 2%, strong local investment and property turnover drove an increase in Property Tax revenue by 35.4% 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 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 increased by approximately 6.3%. Consequently, Property Tax In-lieu of VLF increased by 7.1% in FY 2022-2023.

Charges for Services

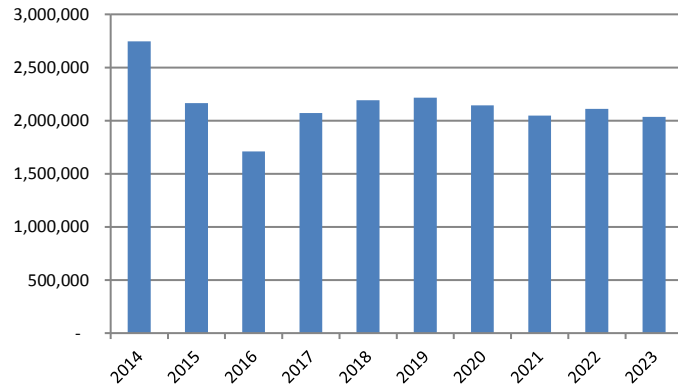
San Fernando charges fees for various services it provides to users who derive a direct benefit from the provision of those services. Some examples include construction permit and inspection fees, livescan fingerprint fees, special police services, and administrative charges to the Enterprise and Special

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 are the City's fourth largest revenues source, accounting for 7.4% 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). While Charges for Services declined by 2.7%, a new fees and charges study is underway in 2023-2024 with the aim of establishing rates to recover maximum value of City services.

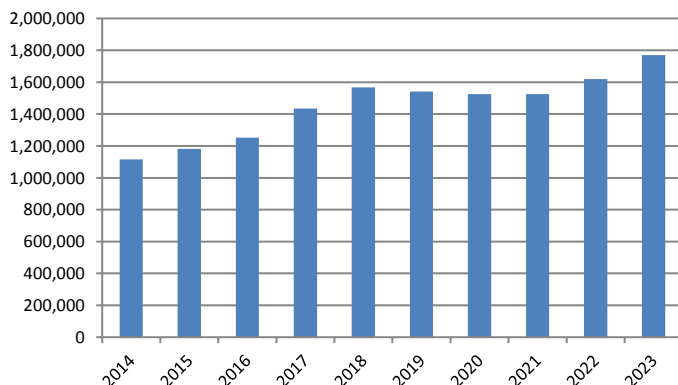
CHARGES FOR SERVICES



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

BUSINESS LICENSE TAXES & FEES



gross receipts for the sale of goods and \$2.40 per \$1,000 in gross receipts for services.

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

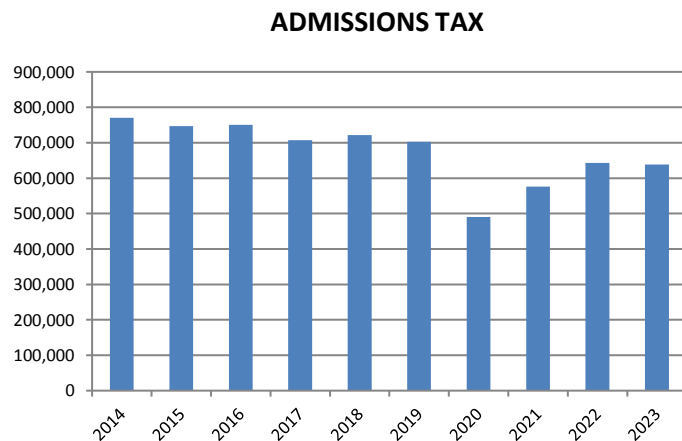
Business License revenue is very sensitive to economic conditions and due to the COVID-19 pandemic and restrictions many businesses suffered especially small businesses that provide in person services, including restaurants, bars, hair salons, laundry services, niche retail, etc. that rely on personal 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. San Fernando 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 saw continued business recovery with an increase of 9.4% over prior year adjusted revenues.

Admissions Tax

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

Admissions Tax revenue is the City's sixth largest revenue source, accounting for approximately 2.8% of General Fund revenue.

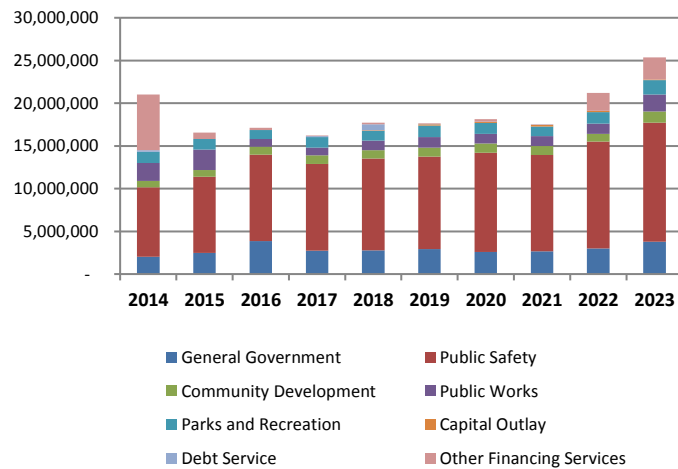


The primary driver for Admissions Tax revenues is the privately owned and operated swap meet in the City. Swap meet vendors sell new and used goods, typically at deeply discounted prices. Similar to other discount retailers, attendance at the swap meet has proven to be anti-cyclical in that, when the 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 remained relatively flat in the comparison to the prior year.

General Fund Expenditures

Since fiscal year 2013-2014, total General Fund expenditures have increased by approximately 21%. 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.

**General Fund
Statement of Expenditures**



Excluding Capital Outlay, Debt Service and Transfers Out, General Fund departmental expenditures increased by 19.78% from FY 2021-2022. The increase is due to increased staffing levels and various enhancements in alignment with City Council Strategic Priorities.

Public Safety (including the Fire Service contract with City of Los Angeles) expenditures accounted for 55% of General Fund expenditures in FY 2022-2023, as expenditures increased by 11% over FY 2020-2021, as vacant positions were filled. General Government and Community Development expenditures increased by 26% and 44% respectively due to position and contractual service enhancements. Public Works expenditures increased by 70% increased staffing levels. Parks and Recreation expenditures increased by 24% as social activities and special events were reopened and enhanced following the COVID-19 pandemic.

Over the past three years, 22 new full-time and part-time positions have been approved by City Council and we have welcomed 38 new full-time employees to the City team. We have purchased 20 new vehicles and equipment to serve as a force multiplier in the field. We have invested more than \$2.7 million in technology and communications to improve efficiency, customer service, and public safety. We have implemented a number of organizational changes to reflect the City Council's policy priorities and Strategic Goals, including, but not limited to, creating a new Economic Development Division in the City Manager's Office, a new Housing Division in the Community Development Department, and reorganizing the reporting structure in the Police Department to enhance patrol services. Since COVID, the City has significantly enhanced outreach and community engagement efforts to educate more community members about the City's programs, capital projects, and services. 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.

**CITY-WIDE STRATEGIC GOALS
FISCAL YEAR 2022-2026**

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 which led the development of the Fiscal Year 2022-2023 budget and beyond are:

I. FOCUS ON COMMUNITY FIRST

The City of San Fernando is committed to providing a high standard of service, safety, and quality of life for San Fernando taxpayers. The City works to increase opportunities and support for residents to secure their basic needs and connect residents to support services. These outcomes can be achieved by enhancing public safety, increasing access to City services and programs, and keeping the community informed through outreach and transparency initiatives:

1. Provide a high standard for service and quality of life for San Fernando taxpayers, residents and community members through our top-notch San Fernando Police Department, community-based public safety programming, efficient service delivery, access to local government, and excellent public service.
2. Ensure San Fernando Police Department has adequate resources for personnel, equipment, training and community-based policing options.
3. Improve the City's use of technology to enhance customer service, work more efficiently and make it easier to conduct business with the City, improve transparency, and increase community access to broadband.
4. Explore opportunities to expand recreation and community service programs, senior programs, and healthy lifestyle initiatives.
5. Implement the Homeless Action Plan and related policies to support unsheltered and under housed individuals and families.
6. Expand collaboration with Public-Private Partnerships (PPP's) and local Community-Based Organizations (CBO's) to support San Fernando in achieving key strategic goals.

II. CULTIVATING A STRONGER LOCAL ECONOMY

The City of San Fernando is committed to pursuing economic development opportunities to bolster the City's revenue, enhance the health of the business climate, and highlight the City's rich history, culture, music, arts, Native American, and Latin American roots. Enhancing the local economy provides the resources to fund top-notch City services, programs, and infrastructure:

1. Provide technical and financial assistance programs for small business retention, expansion and recruitment. Establish programs that support a "One-Stop Business Center."
2. Create a Downtown Master Plan to enhance the historic downtown business corridor through architectural design and signage standards, business development support and pedestrian focused improvements.
3. Attract and retain private investment in all of the City's business corridors and support place-making efforts. Attract well-paying jobs to the City's industrial and commercial corridors by focusing on growing industries including, but not limited to, climate resiliency research and development, clean energy, emerging technologies, cultural arts, culinary arts, and entertainment options.

III. PRESERVE BEAUTIFUL HOMES AND NEIGHBORHOODS

The City of San Fernando is committed to facilitating common-sense housing policy to preserve the charm of San Fernando and provide natural, safe, neighborhood-centered spaces for residents to play and be active:

1. Promote home ownership and first time homeowner programs, particularly programs that provide home ownership opportunities for current San Fernando residents/renters.
2. Explore programs that provide technical assistance, architectural guidance, and financial support for the preservation and restoration of historic residential homes, and rehabilitation assistance for low- to moderate-income homeowners.
3. Support historic preservation programs, including 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.
4. Educate property owners on property maintenance standards to protect the charm and character of the City's neighborhoods.
5. Invest in enhancing parks, park amenities, and accessibility at all of the City's recreational parks, natural parks and open spaces.

IV. STRENGTHEN CLIMATE RESILIENCE AND ENVIRONMENTAL JUSTICE

The City of San Fernando is committed to protecting public health, natural resources, and local water independence by being a leader in promoting conservation, energy efficiency, sustainability, reducing climate-related risks, and increasing climate resilience and adaptation:

1. Strengthen the City's urban forest by continuing to invest in tree planting and tree care efforts, which will improve air quality, expand native habitat and address extreme heat and heat island impacts.
2. Safeguard the City's water quality and local water supply through conservation programs, landscape regulations, water capture, smart-technology and equipment upgrades and other programs to reduce water usage with the goal of maintaining 100% water independence.
3. 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.
4. Advocate for, and leverage, funding opportunities through federal, state, and regional agencies to connect residents and businesses to sustainability and conservation financial resources.

V. ENHANCE PUBLIC TRANSPORTATION TO MOVE SAN FERNANDO

The City of San Fernando is committed to enhancing regional and local public transportation options that benefit residents, employees, visitors, and customers of San Fernando businesses and cultural institutions:

1. Enhance public transit by providing affordable access to the Mission City Transit system (i.e. Trolley) and improve Trolley stops by making them more user friendly, attractive, clean and architecturally consistent.
2. Improve the City's pedestrian and bike trail network, services, and accessibility, including increased maintenance of the Mission City Bike Trail and completion of the Pacoima Wash Bike Path.
3. Support and prioritize deployment of electric and alternative fuel vehicles through the promotion of electric charging stations and other clean fuel options.
4. Ensure the East San Fernando Valley Regional Light Rail and Metrolink projects servicing San Fernando complement and enhance existing public transportation options without causing undue hardship to traffic, pedestrian and parking systems.

5. 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.

VI. BUILD RESILIENT AND RELIABLE INFRASTRUCTURE

The City of San Fernando is committed to increasing capital expenditures to address critical infrastructure needs, including, but not limited to, addressing deferred maintenance of City buildings, streets, water and sewer systems, and sidewalks:

1. Invest in water and sewer infrastructure through risk, resiliency and redundancy improvements, infiltration projects, treatment systems, and storage enhancements.
2. Maximize annual street paving and sidewalk repair by leveraging multiple sources of federal, state, county and private funding.
3. Beautify the Civic Center through investment in public buildings, landscaping and infrastructure, including modernizing the City's Police Station and City Hall.

VII. FORGE FINANCIAL STRENGTH AND STABILITY

The City of San Fernando is committed to managing taxpayer funds responsibly, growing the City's revenue streams and protecting minimum reserve balances in accordance with adopted Comprehensive Financial Policies:

1. Ensure transparency and engagement opportunities for stakeholders to provide input on management of City resources, including special tax measures and budget priorities.
2. Review and update the City's Comprehensive Financial Policies biannually.
3. Implement strategies to reduce long-term pension and other post-employment benefits (i.e. retiree health) liabilities.
4. Focus on grant funding to raise significant resources to implement strategic goals and priority projects
5. Continue to submit and receive the Government Financial Officers Association (GFOA) Awards for Excellence in Financial Reporting and Budget Preparation.

VIII. EMERGENCY PREPAREDNESS: SUPPORTING THE COMMUNITY

The City of San Fernando is committed to preparing City staff and community members to be safe before, during, and after an emergency or natural disaster, including but not limited to, earthquakes, wildfires, wind events, extreme heat, floods, and pandemics. Effective emergency management requires adequate training and preparation before an emergency, decisive action and coordination during the response, leveraging resources during the recovery, and providing timely information and clear communication throughout:

1. Continually review and update the Emergency Operations Plan, including providing Emergency Operations Center training to City staff and emergency response personnel to ensure effective inter-department and inter-agency coordination during an emergency response. Increase capability to disseminate timely and relevant information to the community through effective communication channels and community partners.
2. Foster relationships with regional agencies, local businesses, and community based organizations to improve the City's emergency response capacity through partnerships and mutual aid.
3. Increase capability to disseminate timely and relevant information to the community through effective communication channels and community partners.
 - a) Leverage community partnerships to maximize outreach for vaccine distribution, updated health order information, financial programs available to residents and businesses, and available technical/financial assistance programs.
 - b) Utilize emergency communication capability (ALERT San Fernando) appropriately to ensure important information is actively pushed out to the community.
4. Leverage federal, state, and regional resources through the Federal Emergency Management Agency (FEMA), California Office of Emergency Services (CalOES), mutual aid from Los Angeles County and surrounding cities to increase our capacity and ability to effectively prepare, respond, and recover from an emergency.

FINANCIAL INFORMATION

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

Significant Financial Events

The Governmental Accounting Standards Board (GASB) is a private, non-governmental organization that creates accounting reporting standards, or generally accepted accounting principles (GAAP), for state and local governments. Changes in accounting policies issued by the Board, known as GASB Statements, will impact how the City reports and compiles its financial report. During the fiscal year ended June 30, 2023, the City implemented the following new GASB Pronouncement.

GASB Statement No. 96 – Subscription-based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for Subscription-based Information Technology Arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of the City's financial statements by requiring the City to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of the SBITA activities and evaluate those obligations and assets resulting from SBITAs.

The new guidance is effective for fiscal years beginning after June 30, 2023.

OTHER INFORMATION

Government Finance Officers Association Certificate of Achievement Award

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, 2022. This was the 39th 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

Page 18 of 18

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 2023 certification.

Acknowledgments

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

Respectfully Submitted,



Erica D. Melton
Director of Finance/City Treasurer

DIRECTORY OF OFFICIALS

FISCAL YEAR 2022-2023

ELECTED OFFICIALS

CITY COUNCIL

MAYOR

CELESTE T. RODRIGUEZ

VICE MAYOR

MARY MENDOZA

COUNCILMEMBERS

JOEL FAJARDO

CINDY MONTAÑEZ

MARY SOLORIO

EXECUTIVE MANAGEMENT

CITY MANAGER

NICK KIMBALL

DEPUTY CITY MANAGER/ECONOMIC DEVELOPMENT KANIKA KITH

CHIEF OF POLICE

FABIAN VALDEZ

CITY CLERK

JULIA FRITZ

DIRECTOR OF COMMUNITY DEVELOPMENT

VACANT

DIRECTOR OF FINANCE/CITY TREASURER

ERICA D. MELTON

DIRECTOR OF PUBLIC WORKS

VACANT

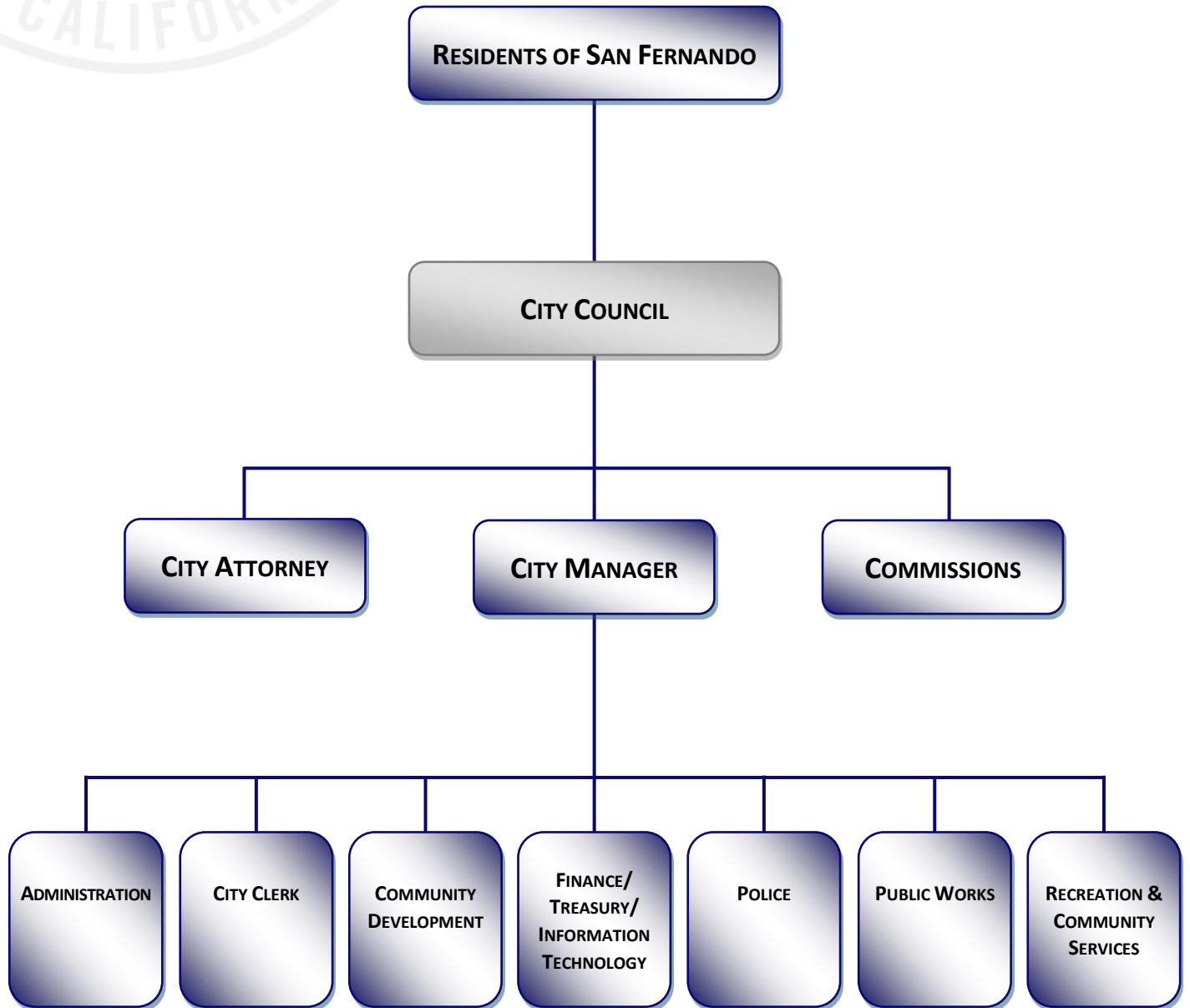
DIRECTOR OF RECREATION AND
COMMUNITY SERVICES

JULIAN J. VENEGAS

THE CITY OF SAN FERNANDO

ORGANIZATIONAL CHART

FISCAL YEAR 2022-2023



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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

The Honorable City Council
City of San Fernando, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Fernando (City), as of and for the year ended June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the City of San Fernando, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cashflows 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 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 error or fraud.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying combining statements and budget 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 auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are 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 a report dated February 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

February 28, 2024

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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, 2023. As management of the City, we encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found beginning on pages i - xii, and the City's financial statements beginning on page 39.

FINANCIAL HIGHLIGHTS

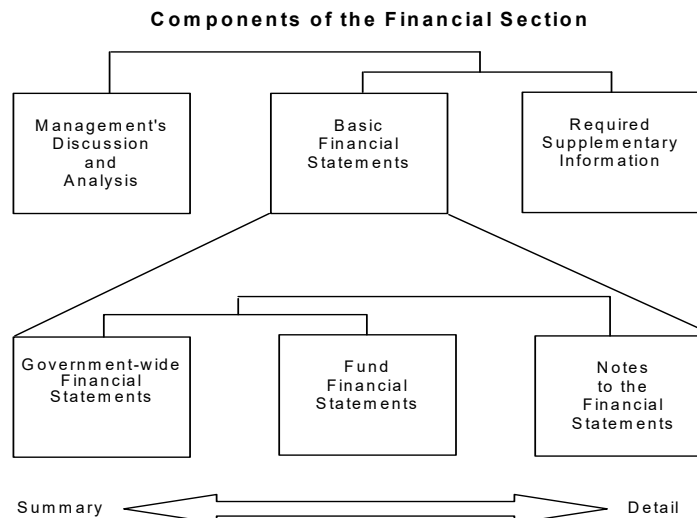
The following are some key financial highlights for the fiscal year ending June 30, 2023:

- ↑ The City's total net position increased from \$8,536,951 as of June 30, 2022 to \$14,392,968 as of June 30, 2023 for a total increase of \$5,855,996 or 68.22%. Additional information on the increase in net position is discussed in more detail in the Government-wide Financial Analysis beginning on page 6.
- ↓ The City's total unrestricted net position grew from (\$78,309,011) at June 30, 2022 to (\$88,785,529) at June 30, 2023 for a total decline of \$10,476,534, or 13.38%.
- ↓ The City's total fund balances for governmental funds decreased from \$38,988,537 as of June 30, 2022 to \$24,773,307 as of June 30, 2023 for a total decrease of \$14,215,239 or 36.46%.
- ↑ The total fund balance for the General Fund increased from \$10,231,040 as of June 30, 2022 to \$10,282,877 as of June 30, 2023 for a total increase of \$51,836 or 0.51%. Fund balance is classified per GASB Statement No. 54 as Nonspendable: \$33,955 and Unassigned: \$10,248,922. Additional information on fund balances is located in Note 1.
- ↓ The combined fund balance for the City's other governmental funds, excluding the General Fund, decreased from \$28,757,497 as of June 30, 2022 to \$14,490,430 as of June 30, 2023 for a total decrease of \$14,267,075, or 49.61%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



Government-wide Financial Statements

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

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

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

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

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

The government-wide financial statements can be found beginning on page 23 of this report.

Fund Financial Statements

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

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

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

Fund Financial Statements (cont.)

Funds.” The details of these funds are included in the Combining and Individual Fund Statements and schedules located in the supplementary information section of this report on pages 76-110.

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.

The basic proprietary fund financial statements can be found beginning on page 32 of this report.

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

Fund Financial Statements (cont.)

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

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 34 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 85 of this report. This section includes a comparison of budgeted to actual results for the general and major special revenue funds.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 76 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In fiscal year 2022-2023, the City's net position increased from \$8,536,951 as of June 30, 2022 to \$14,392,968 as of June 30, 2023 for a total increase of \$5,855,996 or 68.60%.

Total assets increased by \$15,786,340 or 12.17% due primarily to increased Grants and Capital Assets. The increase in Grant funding is attributable to significant efforts and coordination of City Staff, as directed by the City Council Strategic Priorities and reinforced via the approved City Legislative Platform. The combination of priorities and platform have enabled City staff to formalize appropriation requests to state and federal legislators to secure financial support for City programs and initiatives while building partnerships with other federal and state government entities. Much of the grant-funded areas have focused on capital projects, which has concurrently led to significant enhancements in value to City-wide capital assets.

Total liabilities also decreased during the fiscal year by \$19,621,853 or 14.44% from the prior year due to significant declines in the City's long-term liabilities; refer to Note 7. Additional information related to the City's pension benefits/liability and Other Post-Employment Benefits (OPEB) benefits/liability can be found in Notes 8 and 9, respectively.

The largest portion of the City's net position, \$79,192,763 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, \$23,985,734 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, 2023, 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 \$88,785,529. This large deficit is the result of long-term liabilities, most notably, pension and OPEB liabilities as detailed in Notes 7, 8 and 9.

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Government-wide Financial Analysis (cont.)

The following table summarizes the Statement of Net Position for Governmental and Business-Type Activities for the fiscal year ended June 30, 2023, with comparative totals for the fiscal year ended June 30, 2022.

Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 53,191,569	\$ 55,513,453	\$ 9,875,409	\$ 11,836,450	\$ 63,066,978	\$ 67,349,903
Capital assets	66,052,260	47,191,501	16,391,881	15,183,375	82,444,141	62,374,876
Total assets	119,243,829	102,704,954	26,267,290	27,019,825	145,511,119	129,724,779
Deferred Outflows of Resources:	31,687,884	43,586,827	4,738,991	7,453,296	36,426,875	51,040,123
Liabilities:						
Current and other liabilities	16,161,634	12,869,195	2,301,902	1,954,003	18,463,536	14,823,198
Long-term liabilities	85,374,305	104,494,256	12,400,194	16,542,434	97,774,499	121,036,690
Total liabilities	101,535,939	117,363,451	14,702,096	18,496,437	116,238,035	135,859,888
Deferred Inflows of Resources:	44,999,393	30,941,667	6,307,598	5,426,376	51,306,991	36,368,043
Net position:						
Net Investment in Capital Assets	63,770,882	40,754,134	15,421,881	13,946,274	79,192,763	54,700,408
Nonspendable	-	-	-	-	-	-
Restricted	23,985,734	32,145,559	-	-	23,985,734	32,145,559
Unrestricted	(83,360,235)	(74,913,031)	(5,425,294)	(3,395,964)	(88,785,529)	(78,308,995)
Total net position	\$ 4,396,381	\$ (2,013,338)	\$ 9,996,587	\$ 10,550,310	\$ 14,392,968	\$ 8,536,972

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, 2023, in relation to a year earlier.

The City's total net position increased from \$8,536,951 as of June 30, 2022 to \$14,392,968 as of June 30, 2023 for a total increase of \$5,855,996 or 68.60%. Key elements of this increase are as follows:

- ❖ Net position of governmental activities increased from (\$2,013,338) as of June 30, 2022 to \$4,396,381 as of June 30, 2023; a total increase of \$6,409,719. The 318.36% change is primarily attributable to \$9,554,385 growth in capital grants and contributions revenue.

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Government-wide Financial Analysis (cont.)

- ❖ Net position of business-type activities decreased from \$10,550,310 as of June 30, 2022 to \$9,996,587 as of June 30, 2023; a total decrease of \$553,723 or 5.25%. The decrease is due to investment losses.

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2023, with comparative totals for the fiscal year ended June 30, 2022.

City of San Fernando Government-wide Financial Statements Summary of Activities						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 3,273,502	\$ 2,405,111	\$ 9,767,925	\$ 9,240,331	\$ 13,041,427	\$ 11,645,442
Operating grants and contributions	9,205,604	6,089,498	-	-	9,205,604	6,089,498
Capital grants and contributions	16,944,785	7,390,400	-	-	16,944,785	7,390,400
General revenues						
Taxes	27,797,731	25,007,455	-	-	27,797,731	25,007,455
Investment loss and other	143,115	20,331	109,415	(425,637)	252,530	(405,306)
Total revenue	57,364,737	40,912,795	9,877,340	8,814,694	67,242,077	49,727,489
Expenses						
General government	8,535,396	11,508,546	-	-	8,535,396	11,508,546
Public safety	23,133,497	20,651,820	-	-	23,133,497	20,651,820
Community development	1,450,838	3,047,990	-	-	1,450,838	3,047,990
Public works	6,732,859	2,872,863	-	-	6,732,859	2,872,863
Parks and recreation	3,039,015	2,134,123	-	-	3,039,015	2,134,123
Capital Outlay	-	-	-	-	-	-
Interest and fiscal charges	817,025	417,763	-	-	817,025	417,763
Water operations	-	-	7,102,186	6,855,816	7,102,186	6,855,816
Sewer operations	-	-	2,602,834	5,312,532	2,602,834	5,312,532
CNG operations	-	-	496,035	164,488	496,035	164,488
Refuse operations	-	-	10,000	3,403	10,000	3,403
Total expenses	43,708,630	40,633,105	10,211,055	12,336,239	53,919,685	52,969,344
Excess or (Deficiency) before transfers	13,656,107	279,690	(333,715)	(3,521,545)	13,322,392	(3,241,855)
Transfers In (Out)	220,008	161,023	(220,008)	(161,023)	-	-
Change in Net Position	13,876,115	440,713	(553,723)	(3,682,568)	13,322,392	(3,241,855)
Net position – beginning	(2,013,344)	(2,454,057)	10,550,310	14,232,878	8,536,966	11,778,821
Prior Period Adjustment	(7,466,390)	-	-	-	(7,466,390)	-
Net position – ending	\$ 4,396,381	\$ (2,013,344)	\$ 9,996,587	\$ 10,550,310	\$ 14,392,968	\$ 8,536,966

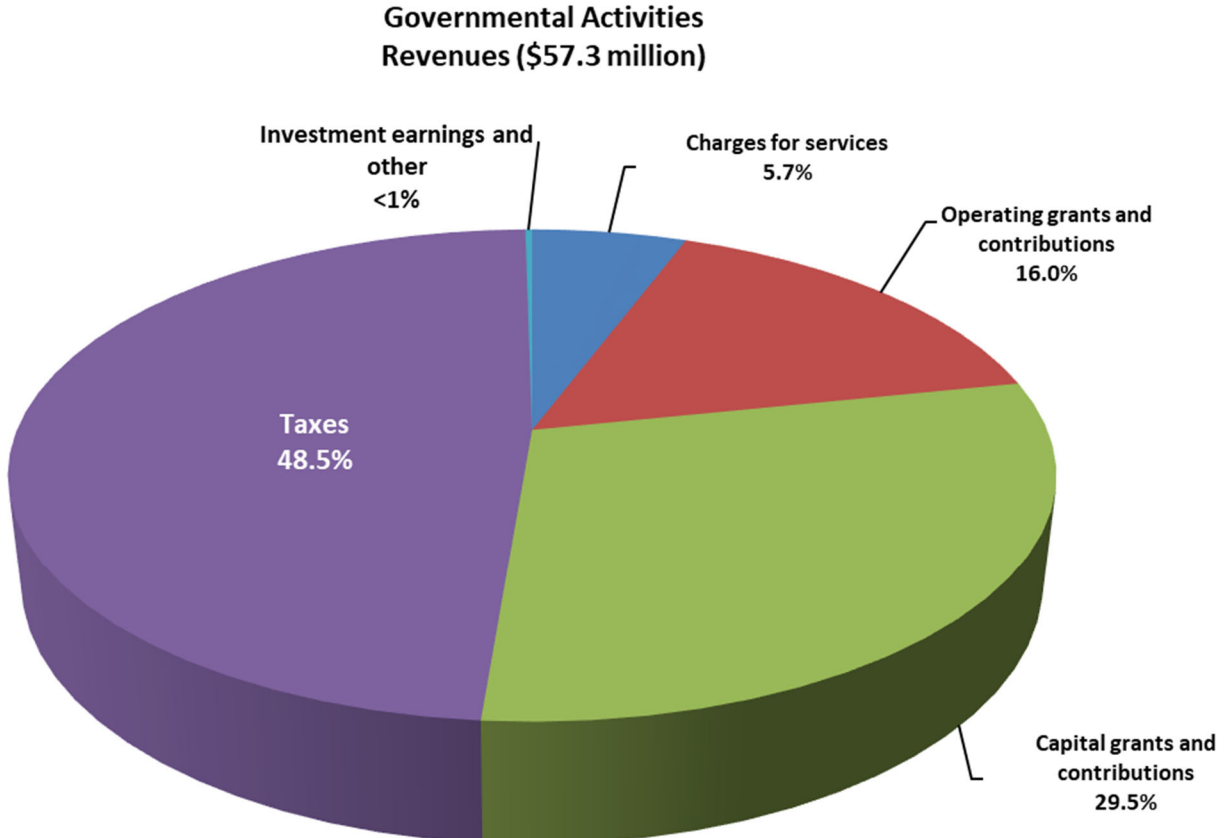
Government-wide Financial Analysis (cont.)

Revenue Highlights

Total governmental activities revenues were \$57,364,737; an increase of \$16,451,942 or 40.21% from 2022. The largest component of governmental activities' revenue are taxes, which generate \$27,797,731 making up 48.46% 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 (\$12.7 million), Sales and Use Tax (\$12.0 million), and Business License Tax (\$1.8 million). Some key changes in revenues include:

- Property tax revenue increased by \$2,459,661 or 24.12% compared to the prior year. Property tax revenue had shown a significant growth due to assessment value increases in part due to commercial property changes in ownership as well as residential home improvements.
- Sales and Use tax revenue increased by \$123,271 or 1.03% compared to the prior year. Sales taxes have been demonstrating accelerated post-COVID growth but have now stabilized.
- While business license revenue is sensitive to economic conditions, 2023 demonstrated continued business recovery with an increase \$145,865 or 8.74% growth compared to the prior year.

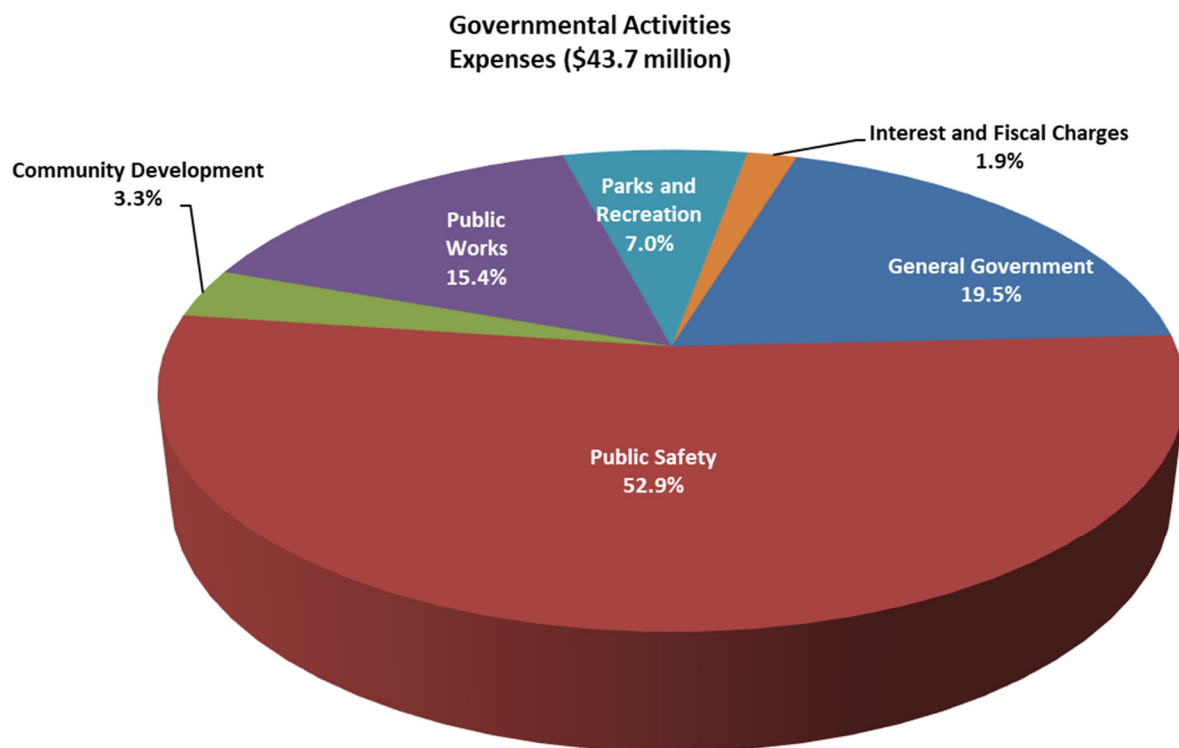
The governmental activities pie chart below illustrates operating revenues by source (excluding transfers). Taxes, which include sales and use, property, motor vehicle license, business and other taxes are general revenues used to support overall government functions. These sources account for approximately 49% of total governmental revenue. Charges for services make up 6% of revenues while operating and capital grants and contributions amount to 30% of total governmental revenues.



Governmental Activities (cont.)

Expense Highlights

Functional expenses for fiscal year 2022-2023 governmental activities totaled \$43,708,630, an increase of \$3,075,525 or 7.6% 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 \$23.1 million (53%) and Public Works activities accounted for approximately \$6.7 million (15%) of the total expenses in the governmental funds. General Government expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources, and City Attorney contract) also accounted for approximately \$8.5 million (20%) of total expenses. Community Development (\$1.5 million), and Recreation and Community Services (\$3.0 million) account for the remaining 10% of expenses.



Business-Type Activities

The net position of business-type activities decreased from \$14,232,878 as of June 30, 2022 to \$10,550,310 as of June 30, 2023; a total decrease of \$3,682,568, or 25.87%. A water and sewer rate study was last completed in 2019 and new rates were effective on January 1, 2020. While revenue increased \$527,954 or 5.4% over the prior year 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. With 2023-2024 being the last year of the current rate schedule, a new water and sewer rate study is being planned for 2024-2025.

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

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

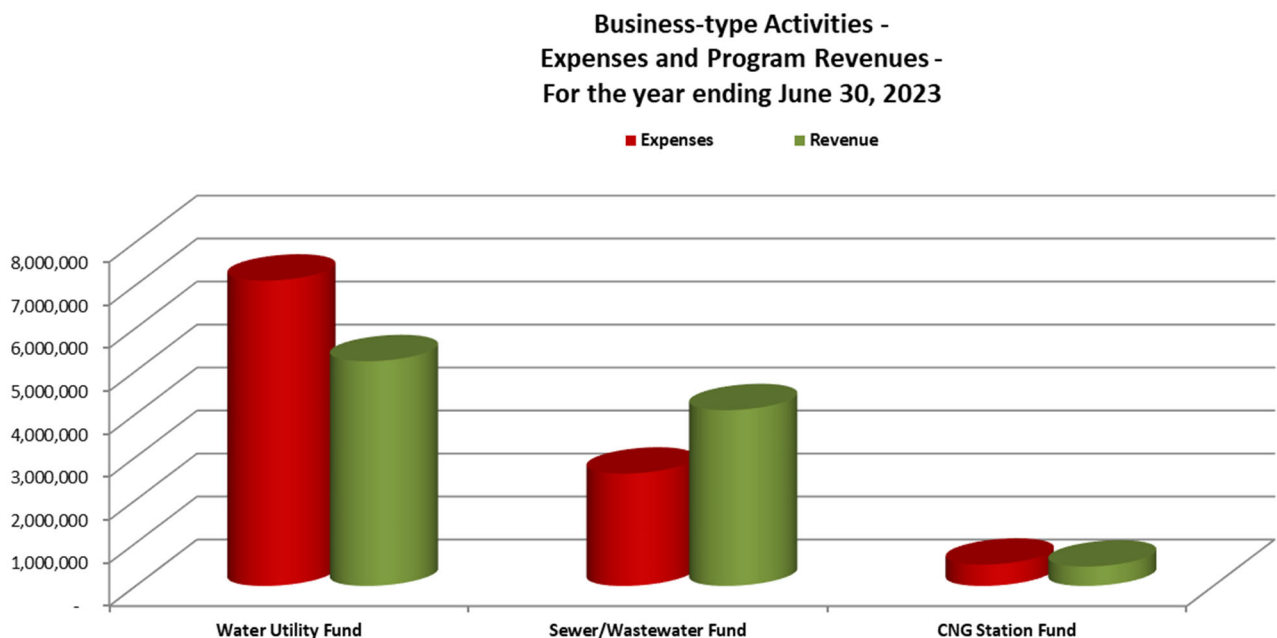
Business-Type Activities (cont.)

Revenue Highlights

Program revenues for the fiscal year ended June 30, 2023 were approximately \$9.8 million; an increase of \$527,594 or 5.71%, from 2022. Increases are attributable to incremental escalations over the life of the current rate schedule. Overall revenues increased by \$1,062,646 or 12.06% as a result of program revenues coupled with investment gains.

Expense Highlights

Total expenses for the fiscal year ended June 30, 2023 were approximately \$10.2 million, a decrease of \$2,125,184 or 17.23%, from 2022. The City's water and wastewater (sewer) infrastructure is aging and many sections are in need of replacement. Many of the significant emergency capital expenditures to repair collapsed water and sewer main lines were initiated in the prior year, with several projects nearing completion.



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 decreased from \$38,988,546 as of June 30, 2022 to \$24,773,307 as of June 30, 2023; a total decrease of \$14,215,239 or 36.46%. The City's governmental funds report an *unassigned* fund balance of \$794,436, which is a \$9,110,835 or 91.98% decrease from June 30, 2022.

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS (cont.)

The remainder of the fund balance is either nonspendable or restricted to indicate that it is not available for new spending because it has already been reserved for the following:

- 1) \$34,850 for prepaid items;
- 2) \$23,944,021 restricted for transportation, housing, air pollution, parks and recreation, public safety, community development and retirement.

**Summary of Governmental Funds
Balance Sheet**

	2023	2022
Assets:		
Cash and Investments	\$ 30,878,502	\$ 41,919,444
Other assets	27,614,861	13,892,409
Total assets	58,493,363	55,811,853
Liabilities:		
Accounts Payable	8,805,321	4,733,945
Other liabilities	12,069,969	7,689,631
Total liabilities	20,875,290	12,423,576
Total deferred Inflows of Resources	12,844,766	4,399,731
Fund balances:		
Nonspendable	34,850	7,384
Restricted	23,944,021	29,075,891
Unassigned	794,436	9,905,271
Total fund balances	\$ 24,773,307	\$ 38,988,546
Total Fund Bal - Excluding GF	\$ 14,490,430	28,757,505

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 decreased only slightly from \$10,231,041 as of June 30, 2022 to \$10,282,877 as of June 30, 2023; a total increase \$51,836. This nominal impact is highlighted as the fund balance was projected lower at \$7.5M due to adjusted FY2022-2023 expenditures which included an unanticipated \$2.5M in additional appropriations towards the Police Department HVAC Facility project. Higher than expected revenues offset the adjusted budget in addition to total actual expenditures ending under budget. In 2013, San Fernando voters approved a ½-cent local transaction tax (Measure A) for a period of seven years. In 2008, voters approved to extend the tax indefinitely. In November 2020, voters approved an additional 0.25% local transaction tax (Measure SF). The collection of transaction tax revenues has been imperative to the City's deficit elimination plan, in addition to providing a long-term financial stability.

Retirement Tax Fund. The Retirement Tax Fund is a special revenue fund used to account for the City's special property tax levy that is restricted to pay City employees' pension obligation to CalPERS. The fund balance increased from \$9,435,544 as of June 30, 2022 to \$10,381,204 as of June 30, 2023; a total increase of \$945,660 or 10.02%. Tax

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

revenues for the year, increased due to higher assessed values in San Fernando and an increase 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.

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 decreased from \$7,340,127 as of June 30, 2022 to a deficit of (\$8,501,762) as of June 30, 2023. In most cases grant agencies issue reimbursable grants, for which this is the case as the City has a significant volume of deferred revenue in process as capital projects are completed. As the City receives more grant funding, a more in-depth grant policy is under development to enhance management and reporting of funds.

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 \$10,550,306 as of June 30, 2022 to \$9,996,587 as of June 30, 2023; a total decrease of \$553,719 or 5.25%. The decrease is due to capital project expenditures associated with water treatment system repairs and investment losses.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Services provided by internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements. The City uses internal service funds to account for facility maintenance, vehicle maintenance and replacement, and insurance premiums and claims costs. The total net position of the internal service funds decreased from (\$772,671) as of June 30, 2022 to (\$2,166,154) as of June 30, 2023; for a total decrease of \$1,393,483, or 180.35%. This change was due to a significant increase in claims payable for unresolved liability and workers' compensation claims. The City will be developing a plan to offset current claims liabilities to reduce the deficit in addition to mitigating future risks.

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 \$25,353,528 in Fiscal Year 2022-2023, compared to the \$23,400,098 final budget; a difference of \$1,953,430, or 8.35%. The difference is predominately due to additional sales and use tax, business license tax and property tax revenue.

Summary of General Fund Expenditures				
Budget and Actual				
June 30, 2023				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 17,957,820	\$ 18,103,878	\$ 20,049,742	\$ 1,945,864
Licenses and Permits	360,700	360,700	477,454	116,754
Charges for Services	781,774	781,774	665,499	(116,275)
Fines and Forfeitures	465,600	465,600	418,240	(47,360)
Investment Earnings	608,589	608,589	557,907	(50,682)
Intergovernmental	3,036,557	3,036,557	3,123,012	86,455
Other	43,000	43,000	61,674	18,674
Total Revenues	23,254,040	23,400,098	25,353,528	1,953,430

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS (cont.)

Expenditures. Actual General Fund expenditures were \$22,713,498 in Fiscal Year 2022-2023, compared to the \$23,699,251 final budget; a difference of \$985,753 or 4.16%. The variance is a result of continued prudent financial decisions to contain costs while maintaining core services.

Summary of General Fund Expenditures
Budget and Actual
June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive(Negative)
EXPENDITURES				
Current:				
General Government:				
City Council	179,000	179,000	162,770	16,230
Administration	492,350	492,350	515,830	(23,480)
Personnel	403,205	403,205	376,507	26,698
City Attorney	153,914	430,792	476,414	(45,622)
City Clerk	271,828	271,828	258,560	13,268
Elections	61,641	61,641	38,678	22,963
Financial Management	711,617	711,617	684,654	26,963
Information Technology	519,271	519,839	365,113	154,726
Retirement and Nondepartmental	1,608,088	1,435,795	908,851	526,944
Public Safety:				
Police	10,268,099	10,279,008	10,870,792	(591,784)
Fire	3,150,000	3,062,793	3,062,793	-
Community Development	1,675,707	1,744,578	1,292,723	451,855
Public Works	2,297,295	2,371,202	2,014,085	357,117
Parks and Recreation	1,709,930	1,710,961	1,656,096	54,865
Capital Outlay	-	-	4,990	(4,990)
Debt Service	-	24,642	24,642	-
Total Expenditures	23,501,945	23,699,251	22,713,498	985,753
Excess (Deficiency) of Revenues over Expenditures	(247,905)	(299,153)	2,640,030	2,939,183
OTHER FINANCING SOURCES (USES)				
Transfers In	520,000	520,000	520,000	-
Transfers Out	(281,333)	(3,309,885)	(3,108,194)	201,691
Total Other Financing Sources (Uses)	238,667	(2,789,885)	(2,588,194)	201,691
Net Change in Fund Balances	(9,238)	(3,089,038)	51,836	3,140,874
Fund Balance, Beginning of Year	10,231,041	10,231,041	10,231,041	-
Fund Balance, End of Year	\$ 10,221,803	\$ 7,142,003	\$ 10,282,877	\$ 3,140,874

CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$66,052,260 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 \$18,860,758 due to street, facility, water and other capital improvements completed during the year. Additional information on the City's capital assets can be found in Note 4 to the basic financial statements on pages 49-50 of this report.

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

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 24,669,914	\$ 2,266,933	\$ 26,936,847
Capital assets being depreciated	113,215,230	43,499,550	156,714,780
Less accumulated depreciation	(71,832,884)	(29,374,602)	(101,207,486)
Net Capital Assets	\$ 66,052,260	\$ 16,391,881	\$ 82,444,141

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

- *Governmental activities:* Capital asset additions in governmental activities include completion of various street and facility improvement projects.
- *Business-type activities:* Capital asset additions related to the water and sewer operations include: various water and sewer main replacements.

Debt Administration. Long-term debts for Governmental Activities decreased from \$107,980,955 as of June 30, 2022 to \$88,879,403 as of June 30, 2023; a total decrease of \$19,101,552 or 17.69%. Total long-term debts in governmental and business activities consist of the following:

Long-Term Liabilities (Note 6)
June 30, 2022

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,285,000	\$ -	\$ (95,000)	\$ 2,190,000	\$ 100,000
Premium	97,089	-	(5,711)	91,378	5,711
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	563,807	-	(563,807)	-	-
Pension Obligation Bonds					
Series 2021A	30,540,000	-	(1,030,000)	29,510,000	1,035,000
Claims Payable	3,452,690	5,500,411	(3,807,904)	5,145,197	1,552,825
Insurance Assessment Payable	405,285	-	(81,057)	324,228	81,057
Compensated Absences	1,559,304	993,639	(911,318)	1,641,625	730,505
Net Pension Liability (Note 7)	27,937,799	-	(10,468,126)	17,469,673	-
Net OPEB Liability (Note 8)	41,139,981	-	(8,632,679)	32,507,302	-
Total	\$ 107,980,955	\$ 6,494,050	\$ (25,595,602)	\$ 88,879,403	\$ 3,505,098
Business-type Activities:					
Compensated Absences	\$ 232,999	\$ 135,496	\$ (144,638)	\$ 223,857	\$ 124,755
Net Pension Liability (Note 7)	4,911,939	-	(2,143,662)	2,768,277	-
Net OPEB Liability (Note 8)	6,147,353	-	(1,714,538)	4,432,815	-
Loan Payable from Direct Borrowing:					
Radio Equipment Purchase	102,636	-	(102,636)	-	-
2020 Installment Sale Agreement	1,100,000	-	(130,000)	970,000	130,000
Pension Obligation Bonds					
Series 2021B	4,560,000	-	(150,000)	4,410,000	150,000
Total	\$ 17,054,927	\$ 135,496	\$ (4,385,474)	\$ 12,804,949	\$ 404,755

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

State statutes limit the amount of general obligation debt a governmental entity may issue to fifteen percent (15%) of its adjusted assessed valuation. The City's total assessed valuation in fiscal year 2022-2023 was \$2,395,190,428. 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 \$598,797,607. Therefore, the legal debt margin is \$89,819,641, 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 52-56 of this report.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

Economy

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.

This long economic expansion was brought to an abrupt stop in March 2020 as pandemic-induced restrictions led to soaring unemployment and plummeting consumer spending. Governor Newsom officially ended the COVID-19 declared emergency on February 28, 2023. While there has been an economic recovery over the past two years, COVID-19 dramatically altered lives and significantly impacted regional, state, national, and global economies. The actions taken to stabilize the economy throughout the pandemic were unprecedented and will impact global economies for the foreseeable future.

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

Federal Economy

Inflation and the Federal Reserve's response to it (i.e. seven interest rate increases in 2022) were the focus of economic policy in 2022 as prices increased at a pace not seen since stagflation in the 1970's and 1980's. Conversely, Gross Domestic Product (GDP), which is a measure of output for the US economy, increased by only 1.1% in 2022. GDP is expected to grow by approximately 0.8% in 2023 and 1.5% in 2024, which represents very slow growth, by historical standards.

The U.S. labor market has rebounded from the pandemic as well. The unemployment rate, which was 5.4% in 2021, improved to 3.7% by the end of 2022. Despite very low unemployment, the labor pool in the United States continues to shrink as the trend of more workers leaving the workforce then entering it continues. This has created a tight labor market, resulting in increased salaries for many workers.

Inflation became the main economic headline in 2022 as the Consumer Price Index (CPI) rose significantly again in 2022. CPI hit 8.0% in 2022, which is the highest rate since 1979. Inflation is, effectively, a tax on the economy as consumers have to spend more of their disposable income to buy the same amount, or fewer, goods than in the past. The Federal Reserve has been consistently increasing baseline interest rates to increase the value of money and offset inflation. It remains to be seen how the policy of raising interest rates to curb inflation will impact the economy.

Contrary to the strong performance of U.S. stocks in 2020 and 2021, stock markets in 2022 experienced sizeable losses and increased volatility. This suggests pessimism, or at least significant uncertainty, by investors in the Federal Reserve's ability to curb inflation without pushing the country into a recession.

In summary, the national economy shows some stability, with the U.S. GDP reporting solid growth going into 2023 and the labor market experiencing robust job production and record low unemployment. However, continued high inflation, increasing interest rates, continued supply chain disruptions, and a volatile stock market are signaling an economic slowdown over the next year.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)

State Economy

California's economy has significantly recovered from the pandemic-induced downturn as many economic indicators are back to their pre-pandemic levels. The focus of California economic policy makers will be the effects of Federal Reserve policy, inflation, and supply chain instability on the California economy. Throughout the pandemic, California experienced its first recorded decline in population since recording began over 100 years ago. This trend continued in 2022 as an additional 210,000 residents left the state. Continued population declines could have long-term implications for California's economic vitality.

Housing affordability continues to be an ongoing public policy challenge and is the primary issue driving the California population flight. 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.

Although the employment situation in California continued to improve in 2022 (unemployment in December 2022 was 4.1%), a slew of recent layoffs by large technology companies may be cause for concern in 2023. Job growth is expected to slow in 2023, with most of the growth in the Education and Health sectors. Jobs in Manufacturing, Transportation/Trade, Construction, and Financial Activities sectors are expected to contract in 2023 and 2024.

While California significantly recovered from the pandemic-induced downturn in 2021, and experienced a record budget surplus in 2022, economic challenges remain. The high cost of housing, high inflation, Federal Reserve fiscal policy, and population migration out of California, represent continuing threats to the California economy and are expected to hamper growth in 2023.

Local Economy

The resiliency of San Fernando's local economy was made clear throughout the COVID-19 pandemic. Many of the City's large employers are essential manufacturing and service business such as LAUSD, Pharmavite, Pepsi, Home Depot, Puretek Corp, and Vallarta. Conversely, 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. To support small businesses, the City Council provided \$10,000 grants to 40 small San Fernando businesses and supported the San Fernando Outdoor Market through fee waivers and City staff to close the streets, manage traffic, and provide safety services.

There are a few large projects currently under construction that are expected to open in 2023 and add to the City's economic base. American Fruits and Flavors, which manufactures Monster Energy Drinks, is expected to complete construction of a 165,000 square foot manufacturing facility in the Fall. When fully operational, the new facility will be home to more than 300 jobs. Additionally, a new Target is under construction and is also expected to be completed in Fall 2023. The new Target is expected to add a significant amount of sales tax to the City's General Fund revenue once it is open and fully operational.

The City recently hired a Deputy City Manager/Economic Development to focus on developing and implementing economic development programs, support local businesses to facilitate a business friendly environment, and lead business recruitment and retention efforts. The City also awarded a contract to a consultant to develop a Downtown Master Plan. Development of this Plan includes a significant amount of public outreach to develop a long-term vision for the City's downtown and Maclay commercial corridors. These efforts are critical to 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 stable over the next fiscal year.

ECONOMIC FACTORS AND NEXT YEARS BUDGET (cont.)

Budget Outlook

The emphasis of the FY 2023-2024 City Manager's Adopted Budget is to Let the Dust Settle to allow staff time to fulfill recent City Council approved budget enhancements to move the Strategic Goals 2022-2026 forward, including, but not limited to, completing the remaining recruitments for new staff positions, procure new equipment, implement new programs, and measure the impact of those new positions, equipment, and programs on services. Additionally, due to the economic uncertainty, recommended enhancements have been limited to minimize the risk of having to make reductions in the future if we do, in fact, experience an economic recession.

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

City of San Fernando
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 33,920,922	\$ 8,727,132	\$ 42,648,054
Restricted Cash and Investments	354,987	197,158	552,145
Receivables:			
Taxes	3,084,859	-	3,084,859
Accounts	280,132	1,454,961	1,735,093
Interest	226,079	-	226,079
Grants	9,999,316	-	9,999,316
Leases	3,222,968	-	3,222,968
Loans Receivable	1,516,832	-	1,516,832
Internal Balances	505,642	(505,642)	-
Prepaid Items	34,850	1,800	36,650
Inventories	44,982	-	44,982
Capital Assets, Not Depreciated	24,669,914	2,266,933	26,936,847
Capital Assets, Depreciated, Net	41,382,346	14,124,948	55,507,294
Total Assets	<u>119,243,829</u>	<u>26,267,290</u>	<u>145,511,119</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	3,786,625	516,359	4,302,984
Deferred Outflows Related to Pensions	27,901,259	4,222,632	32,123,891
Total Deferred Outflows of Resources	<u>31,687,884</u>	<u>4,738,991</u>	<u>36,426,875</u>
LIABILITIES			
Accounts Payable	9,028,212	1,692,747	10,720,959
Accrued Liabilities	708,915	66,005	774,920
Interest Payable	6,453	-	6,453
Deposits Payable	501,458	138,395	639,853
Unearned Revenue	2,168,427	-	2,168,427
Due to Other Agencies	243,071	-	243,071
Long-Term Liabilities:			
Due Within One Year	3,505,098	404,755	3,909,853
Due in More Than One Year	85,374,305	12,400,194	97,774,499
Total Liabilities	<u>101,535,939</u>	<u>14,702,096</u>	<u>116,238,035</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Leases	3,125,966	-	3,125,966
Deferred Inflows Related to OPEB	12,218,653	1,666,180	13,884,833
Deferred Inflows Related to Pensions	29,654,774	4,641,418	34,296,192
Total Deferred Inflows of Resources	<u>44,999,393</u>	<u>6,307,598</u>	<u>51,306,991</u>
NET POSITION			
Net Investment in Capital Assets	63,770,882	15,421,881	79,192,763
Restricted for:			
Transportation	2,969,195	-	2,969,195
Housing	3,416,646	-	3,416,646
Air Pollution	180,686	-	180,686
Parks & Recreation	33,844	-	33,844
Public Safety	678,934	-	678,934
Retirement	10,370,216	-	10,370,216
Community Development	5,995,295	-	5,995,295
Parking	340,918	-	340,918
Unrestricted	(83,360,235)	(5,425,294)	(88,785,529)
Total Net Position	<u>\$ 4,396,381</u>	<u>\$ 9,996,587</u>	<u>\$ 14,392,968</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 8,535,396	\$ 743,378	\$ -	\$ -
Public Safety	23,133,497	1,081,023	678,199	647,118
Community Development	1,450,838	643,162	5,979,662	-
Public Works	6,732,859	448,638	2,483,267	9,741,389
Parks and Recreation	3,039,015	357,301	64,476	6,556,278
Interest Expense	817,025	-	-	-
Total Governmental Activities	43,708,630	3,273,502	9,205,604	16,944,785
Business-type Activities:				
Water	7,102,186	5,228,074	-	-
Sewer	2,602,834	4,088,886	-	-
Compressed Natural Gas	496,035	450,965	-	-
Waste Disposal	10,000	-	-	-
Total Business-type Activities	10,211,055	9,767,925	-	-
Total Primary Government	<u>\$ 53,919,685</u>	<u>\$ 13,041,427</u>	<u>\$ 9,205,604</u>	<u>\$ 16,944,785</u>

General Revenues:

Taxes:

Property

Sales and Use

Business License Taxes

Franchise

Other Taxes

Investment Income

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year (Restated)

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (7,792,018)	\$ -	\$ (7,792,018)
(20,727,157)	-	(20,727,157)
5,171,986	-	5,171,986
5,940,435	-	5,940,435
3,939,040	-	3,939,040
(817,025)	-	(817,025)
<u>(14,284,739)</u>	<u>-</u>	<u>(14,284,739)</u>
-	(1,874,112)	(1,874,112)
-	1,486,052	1,486,052
-	(45,070)	(45,070)
<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
<u>-</u>	<u>(443,130)</u>	<u>(443,130)</u>
<u>(14,284,739)</u>	<u>(443,130)</u>	<u>(14,727,869)</u>
12,655,839	-	12,655,839
12,036,191	-	12,036,191
1,814,949	-	1,814,949
933,936	-	933,936
356,816	-	356,816
(121,784)	109,415	(12,369)
264,899	-	264,899
<u>220,008</u>	<u>(220,008)</u>	<u>-</u>
<u>28,160,854</u>	<u>(110,593)</u>	<u>28,050,261</u>
13,876,115	(553,723)	13,322,392
<u>(9,479,734)</u>	<u>10,550,310</u>	<u>1,070,576</u>
<u>\$ 4,396,381</u>	<u>\$ 9,996,587</u>	<u>\$ 14,392,968</u>

City of San Fernando
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Retirement Tax	ARPA Fund	Capital Grants	Other Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 7,265,167	\$ 6,116,537	\$ 5,564,024	\$ -	\$ 11,949,629	\$ 30,895,357
Restricted Cash and Investments	-	353,062	-	-	1,925	354,987
Receivables:						
Taxes	2,607,637	317,021	-	-	160,201	3,084,859
Accounts	208,472	7,149	-	-	5,186	220,807
Interest	226,079	-	-	-	-	226,079
Grants	-	-	-	9,318,196	681,120	9,999,316
Leases	3,047,357	-	-	-	175,611	3,222,968
Due From Other Funds	5,349,873	-	-	-	-	5,349,873
Loans Receivable	-	-	-	-	1,516,832	1,516,832
Advances to Other Funds	-	3,587,435	-	-	-	3,587,435
Prepaid Items	33,955	-	-	-	895	34,850
Total Assets	<u>\$ 18,738,540</u>	<u>\$ 10,381,204</u>	<u>\$ 5,564,024</u>	<u>\$ 9,318,196</u>	<u>\$ 14,491,399</u>	<u>\$ 58,493,363</u>
LIABILITIES						
Accounts Payable	\$ 690,523	\$ 10,988	\$ 1,252,284	\$ 2,511,731	\$ 4,339,795	\$ 8,805,321
Accrued Liabilities	609,517	-	-	39	59,398	668,954
Deposits	487,871	-	-	-	13,587	501,458
Due to Other Funds	-	-	-	5,113,486	236,387	5,349,873
Unearned Revenue	-	-	-	1,692,439	475,988	2,168,427
Due to Other Agencies	-	-	-	-	243,071	243,071
Advances From Other Funds	3,138,186	-	-	-	-	3,138,186
Total Liabilities	<u>4,926,097</u>	<u>10,988</u>	<u>1,252,284</u>	<u>9,317,695</u>	<u>5,368,226</u>	<u>20,875,290</u>
DEFERRED INFLOWS OF RESOURCES						
Lease Related	2,950,946	-	-	-	175,020	3,125,966
Unavailable Revenues - Grants	578,620	-	-	8,502,263	637,917	9,718,800
Total Deferred Inflows of Resources	<u>3,529,566</u>	<u>-</u>	<u>-</u>	<u>8,502,263</u>	<u>812,937</u>	<u>12,844,766</u>
FUND BALANCES						
Nonspendable:						
Prepaid Items	33,955	-	-	-	895	34,850
Restricted For:						
Transportation	-	-	-	-	2,969,195	2,969,195
Housing	-	-	-	-	3,416,646	3,416,646
Air Pollution	-	-	-	-	172,842	172,842
Parks and Recreation	-	-	-	-	33,844	33,844
Public Safety	-	-	-	-	678,934	678,934
Retirement	-	10,370,216	-	-	-	10,370,216
Community Development	-	-	4,311,740	-	1,649,686	5,961,426
Parking	-	-	-	-	340,918	340,918
Unassigned	10,248,922	-	-	(8,501,762)	(952,724)	794,436
Total Fund Balances	<u>10,282,877</u>	<u>10,370,216</u>	<u>4,311,740</u>	<u>(8,501,762)</u>	<u>8,310,236</u>	<u>24,773,307</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,738,540</u>	<u>\$ 10,381,204</u>	<u>\$ 5,564,024</u>	<u>\$ 9,318,196</u>	<u>\$ 14,491,399</u>	<u>\$ 58,493,363</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Fund Balances for Governmental Funds	\$ 24,773,307
--------------------------------------	---------------

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

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

Capital Assets	137,264,375
Accumulated Depreciation	(71,648,366)

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	(17,469,673)
Compensated Absences	(1,641,625)
Total OPEB Liability	(32,507,302)
2016 Installment Sale Agreement	(2,190,000)
Premium on 2016 Installment Sale Agreement	(91,378)
Pension Obligation Bonds Series 2021A	(29,510,000)
Interest Payable on Long-term Debt	(6,453)

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	27,901,259
Deferred Inflows Related to Pensions	(29,654,774)
Deferred Outflows Related to OPEB	3,786,625
Deferred Inflows Related to OPEB	(12,218,653)

Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	9,718,800
--	-----------

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.	(2,109,761)
---	-------------

Net Position of Governmental Activities	<u><u>\$ 4,396,381</u></u>
---	----------------------------

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General Fund	Retirement Tax	ARPA Fund	Capital Grants	Other Governmental Funds	Total
REVENUES						
Taxes	\$ 20,049,742	\$ 5,272,636	\$ -	\$ -	\$ 2,763,426	\$ 28,085,804
Licenses and Permits	477,454	-	-	-	-	477,454
Charges for Services	665,499	-	-	-	399,564	1,065,063
Fines and Forfeitures	418,240	-	-	-	5,045	423,285
Investment Earnings	557,907	(24,654)	-	-	88,245	621,498
Intergovernmental	3,123,012	-	5,568,340	7,622,547	2,147,369	18,461,268
Other	61,674	195,680	-	-	7,750	265,104
Total Revenues	25,353,528	5,443,662	5,568,340	7,622,547	5,411,399	49,399,476
EXPENDITURES						
Current:						
General Government	3,787,377	1,326,130	62,003	-	9,389	5,184,899
Public Safety	13,933,585	1,164,811	-	610	151,512	15,250,518
Community Development	1,292,723	72,555	-	-	138,272	1,503,550
Public Works	2,014,085	115,640	194,892	-	1,885,394	4,210,011
Parks and Recreation	1,656,096	87,728	-	802,629	835,274	3,381,727
Capital Outlay	4,990	-	1,007,232	13,714,252	8,405,628	23,132,102
Debt Service:						
Principal	-	1,030,000	-	499,254	95,000	1,624,254
Interest and Fiscal Charges	24,642	712,126	-	14,927	81,238	832,933
Total Expenditures	22,713,498	4,508,990	1,264,127	15,031,672	11,601,707	55,119,994
Excess of Revenues Over (Under)						
Expenditures	2,640,030	934,672	4,304,213	(7,409,125)	(6,190,308)	(5,720,518)
OTHER FINANCING SOURCES (USES)						
Transfers In	520,000	-	-	-	3,053,194	3,573,194
Transfers Out	(3,108,194)	-	-	-	(400,000)	(3,508,194)
Total Other Financing Sources (Uses)	(2,588,194)	-	-	-	2,653,194	65,000
Net Change in Fund Balances	51,836	934,672	4,304,213	(7,409,125)	(3,537,114)	(5,655,518)
Fund Balances, Beginning of Year (Restated)	10,231,041	9,435,544	7,527	(1,092,637)	11,847,350	30,428,825
Fund Balances, End of Year	\$ 10,282,877	\$ 10,370,216	\$ 4,311,740	\$ (8,501,762)	\$ 8,310,236	\$ 24,773,307

The accompanying notes are an integral part of this statement.

City of San Fernando
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (5,655,518)

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	21,399,770
Depreciation Expense	(2,683,181)

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	499,254
Principal payment on Pension Obligation Bonds Series 2021A	1,030,000

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	(82,321)
Net Pension Liability	10,468,126
Other Post-employment Benefit Liability	8,632,679
Accrued Interest Payable	10,197

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	(10,835,395)
Deferred Inflows Related to Pensions	(8,524,908)
Deferred Outflows Related to OPEB	(1,063,548)
Deferred Inflows Related to OPEB	(6,146,369)

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.

7,965,261

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

(1,238,643)

Change in Net Position of Governmental Activities

\$ 13,876,115

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
ASSETS	Water	Sewer	Nonmajor	Totals	
Current Assets:					
Cash and Investments	\$ 4,643,759	\$ 3,897,799	\$ 185,574	\$ 8,727,132	\$ 3,025,565
Restricted Cash and Investments	180,849	16,309	-	197,158	-
Customer Accounts Receivable, Net	769,149	685,812	-	1,454,961	59,325
Inventory	-	-	-	-	44,982
Prepaid Items	1,800	-	-	1,800	-
Total Current Assets	5,595,557	4,599,920	185,574	10,381,051	3,129,872
Noncurrent Assets:					
Advances to Other Funds	-	317,489	-	317,489	-
Capital Assets:					
Land	981,168	-	-	981,168	-
Water Rights	624,659	-	-	624,659	-
Construction in Progress	661,106	-	-	661,106	-
Buildings and Plant	5,630,795	118,500	-	5,749,295	81,268
Infrastructure	17,813,763	8,013,009	-	25,826,772	-
Land Improvements	2,733,281	-	-	2,733,281	-
Equipment	7,559,205	1,577,340	53,657	9,190,202	539,501
Less: Accumulated Depreciation	(23,801,502)	(5,519,443)	(53,657)	(29,374,602)	(184,518)
Total Noncurrent Assets	12,202,475	4,506,895	-	16,709,370	436,251
Total Assets	17,798,032	9,106,815	185,574	27,090,421	3,566,123
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Actuarial Amounts	387,269	129,090	-	516,359	-
Pension Actuarial Amounts	3,209,200	1,013,432	-	4,222,632	-
Total Deferred Outflows of Resources	3,596,469	1,142,522	-	4,738,991	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,051,413	603,050	38,284	1,692,747	222,891
Accrued Liabilities	49,668	16,335	2	66,005	39,961
Current Portion of Insurance Payable	-	-	-	-	81,057
Current Portion of Claims Payable	-	-	-	-	1,552,825
Current Portion of Compensated Absences	93,567	31,188	-	124,755	-
Current Portion of Installment Sale Agreement	130,000	-	-	130,000	-
Current Portion of Pension Obligation Bonds	108,705	41,295	-	150,000	-
Customer Deposits	138,395	-	-	138,395	-
Total Current Liabilities	1,571,748	691,868	38,286	2,301,902	1,896,734
Noncurrent Liabilities:					
Advances From other Funds	542,114	224,624	-	766,738	-
Insurance Assessment Payable	-	-	-	-	243,171
Claims Payable	-	-	-	-	3,592,372
Compensated Absences	74,326	24,776	-	99,102	-
Installment Sale Agreement	840,000	-	-	840,000	-
Pension Obligation Bonds	3,087,234	1,172,766	-	4,260,000	-
Total OPEB Liability	3,324,611	1,108,204	-	4,432,815	-
Net Pension Liability	2,103,891	664,386	-	2,768,277	-
Total Noncurrent Liabilities	9,972,176	3,194,756	-	13,166,932	3,835,543
Total Liabilities	11,543,924	3,886,624	38,286	15,468,834	5,732,277
DEFERRED INFLOWS OF RESOURCES					
OPEB Actuarial Amounts	1,249,635	416,545	-	1,666,180	-
Pension Actuarial Amounts	3,527,478	1,113,940	-	4,641,418	-
Total Deferred Inflows of Resources	4,777,113	1,530,485	-	6,307,598	-
NET POSITION					
Net Investment In Capital Assets	11,232,475	4,189,406	-	15,421,881	436,251
Unrestricted	(6,159,011)	642,822	147,288	(5,368,901)	(2,602,405)
Total Net Position	\$ 5,073,464	\$ 4,832,228	\$ 147,288	10,052,980	\$ (2,166,154)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(56,393)	
Net Position of Business-type Activities				\$ 9,996,587	

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals
OPERATING REVENUES				
Charges for Services	\$ 5,227,074	\$ 4,088,886	\$ 448,230	\$ 9,764,190
Other	1,000	-	2,735	3,735
Total Operating Revenues	5,228,074	4,088,886	450,965	9,767,925
OPERATING EXPENSES				
Contractual Services	23,111	853,698	-	876,809
Maintenance and Operations	6,138,832	1,435,245	503,527	8,077,604
Administration and General	-	-	-	-
Depreciation	760,863	234,728	2,508	998,099
Total Operating Expenses	6,922,806	2,523,671	506,035	9,952,512
Operating Income (Loss)	(1,694,732)	1,565,215	(55,070)	(184,587)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	64,351	41,615	3,449	109,415
Interest Expense	(101,955)	(1,738)	-	(103,693)
Total Nonoperating Revenues (Expenses)	(37,604)	39,877	3,449	5,722
Income (Loss) Before Transfers	(1,732,336)	1,605,092	(51,621)	(178,865)
Transfers In	-	-	-	-
Transfers Out	(140,004)	(80,004)	-	(220,008)
Change in Net Position	(1,872,340)	1,525,088	(51,621)	(398,873)
Net Position, Beginning of Year	6,945,804	3,307,140	198,909	(772,661)
Net Position, End of Year	\$ 5,073,464	\$ 4,832,228	\$ 147,288	\$ (2,166,154)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(154,850)
Change in Net Position of Business-type Activities				\$ (553,723)

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor	Totals	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 5,283,263	\$ 4,058,980	\$ 449,654	\$ 9,791,897	\$ 3,734,534
Payments to Suppliers and Contractors	(3,032,113)	(2,931,602)	(491,769)	(6,455,484)	(3,235,971)
Payments to Employees	(1,802,244)	(539,965)	-	(2,342,209)	(1,723,146)
Other Operating Income	4,686	-	2,735	7,421	1,313,634
Net Cash Flows from Operating Activities	453,592	587,413	(39,380)	1,001,625	89,051
Cash Flows from Noncapital Financing Activities					
Loans from (to) Other Funds	(134,419)	113,026	-	(21,393)	-
Interest Expense Paid	(101,955)	(1,738)	-	(103,693)	-
Transfers from Other Funds	-	-	-	-	155,008
Transfers to Other Funds	(140,004)	(80,004)	-	(220,008)	-
Net Cash Flows from Noncapital Financing Activities	(376,378)	31,284	-	(345,094)	155,008
Cash Flows from Capital Financing Activities					
Debt Proceeds	-	-	-	-	-
Payments on Long-term Debt	(303,179)	(79,457)	-	(382,636)	(64,553)
Acquisition of Capital Assets	(1,701,822)	(504,783)	-	(2,206,605)	(275,013)
Net Cash Flows from Capital Financing Activities	(2,005,001)	(584,240)	-	(2,589,241)	(339,566)
Cash Flows from Investing Activities					
Interest Received	64,351	41,615	3,449	109,415	9,168
Net Increase (Decrease) in Cash and Cash Equivalents	(1,863,436)	76,072	(35,931)	(1,823,295)	(86,339)
Cash and Cash Equivalents - Beginning of Year	6,688,044	3,838,036	221,505	10,747,585	3,111,904
Cash and Cash Equivalents - End of Year	<u>\$ 4,824,608</u>	<u>\$ 3,914,108</u>	<u>\$ 185,574</u>	<u>\$ 8,924,290</u>	<u>\$ 3,025,565</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (1,694,732)	\$ 1,565,215	\$ (55,070)	\$ (184,587)	\$ (1,557,669)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	760,863	234,728	2,508	998,099	130,844
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	30,932	(26,265)	1,424	6,091	8,683
(Increase) Decrease in Deferred Outflows - OPEB	58,723	149,656	-	208,379	-
(Increase) Decrease in Deferred Outflows - Pensions	1,052,220	1,453,706	-	2,505,926	-
(Increase) Decrease in Prepaids	(1,800)	-	-	(1,800)	(455)
Increase (Decrease) in Accounts Payable	306,104	126,240	11,758	444,102	(109,450)
Increase (Decrease) in Accrued Liabilities	(3,485)	(10,282)	-	(13,767)	5,648
Increase (Decrease) in Unearned Revenue	-	(3,641)	-	(3,641)	-
Increase (Decrease) in Compensated Absences	24,509	(33,651)	-	(9,142)	-
Increase (Decrease) in Net OPEB Liability	(458,375)	(1,256,163)	-	(1,714,538)	-
Increase (Decrease) in Net Pension Liability	(1,007,004)	(1,136,658)	-	(2,143,662)	-
Increase (Decrease) in Deferred Inflows - OPEB	691,264	67,563	-	758,827	-
Increase (Decrease) in Deferred Inflows - Pensions	665,430	(543,035)	-	122,395	-
Increase (Decrease) in Ins. Assessments Payable	-	-	-	-	(81,057)
Increase (Decrease) in Claims Payable	-	-	-	-	1,692,507
Increase (Decrease) in Customer Deposits	28,943	-	-	28,943	-
Net Cash Provided by Operating Activities	<u>\$ 453,592</u>	<u>\$ 587,413</u>	<u>\$ (39,380)</u>	<u>\$ 1,001,625</u>	<u>\$ 89,051</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Fiduciary Funds
June 30, 2023

	Custodial Fund	Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and Investments	\$ 185,630	\$ -
Loans Receivable	-	543,678
Prepaid Items	3,000	-
	<hr/>	<hr/>
Total Assets	188,630	543,678
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable	15,142	-
	<hr/>	<hr/>
Total Liabilities	15,142	-
	<hr/>	<hr/>
NET POSITION		
Restricted for Successor Agency	-	543,678
Restricted for Individuals and Organizations	173,488	-
	<hr/>	<hr/>
	\$ 173,488	\$ 543,678
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2023

	Custodial Fund	Successor Agency Private-purpose Trust Fund
ADDITIONS		
Miscellaneous Collected for Others	\$ 209,578	\$ -
Total Additions	209,578	-
DEDUCTIONS		
Recipient Payments	189,022	-
Total Deductions	189,022	-
Change in Net Position	20,556	-
Net Position - Beginning of Year	152,932	543,678
Net Position - End of Year	\$ 173,488	\$ 543,678

The accompanying notes are an integral part of this statement.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

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

Blended Component Units

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

B) Government-wide and Fund Financial Statements

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

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

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Fund Classifications

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

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

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

The ARPA Special Revenue Fund is used to account for one-time federal funding source encouraging economic growth and community development post COVID-19.

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

The City reports the following major enterprise funds:

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

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

The City also reports the following fund types:

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

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

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D) Cash and Cash Equivalents

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

E) Investments

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

F) Inventories

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

G) Land Held for Resale

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

H) Capital Assets

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

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

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

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

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

I) Unavailable Revenues

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

J) Restricted Assets

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

K) Compensated Absences

Employees can accrue vacation, sick leave or annual leave depending on the employee's status (management or non-management). In addition, non-management personnel may earn compensation time in lieu of overtime pay. Vacation, annual leave, and compensation leave are paid out 100% upon employee termination. Sick leave is paid out up to 50% of the sick leave bank at a not-to-exceed maximum of the employer's monthly pay. Both vacation and annual leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are expected to be paid primarily by the General Fund.

L) Claims and Judgments

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

M) Interfund Transactions

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

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

N) Property Taxes

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

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

O) Use of Estimates

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

P) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows relating to OPEB and the Net Pension Liability, which qualify for reporting in this category.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows relating to OPEB and the Net Pension Liability, which qualify for reporting in this category.

Q) Fund Equity

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

R) Net Position Flow Assumption

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

S) Fund Balances

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

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

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

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

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

Fund Balance Policy

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

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

T) Pensions

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

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, 2022
Measurement Period	July 1, 2021 to June 30, 2022

V) Leases

The City is a lessor for noncancellable leases of certain property for communications facilities, office space and other City-owned property. The City recognizes a lease receivable and a deferred inflow of resources in the General Fund, non-major governmental funds, and the government-wide financial statements. At the commencement of these leases, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The leases of the property and facilities range from 2 to 15 years and the City will receive annual payments of approximately \$600,000. The City recognized approximately \$600,000 in lease revenue, including interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the City's receivable for lease payments was \$3,222,968. Also, the City has a deferred inflows of resources associated with leases that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflows of resources was \$3,125,966.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future: Statement No. 101, "Compensated Absences." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

2) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2023:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and Investments	\$ 42,648,054	\$ 185,630	\$ 42,833,684
Restricted Cash and Investments	552,145	-	552,145
Total Cash and Investments	<u>\$ 43,200,199</u>	<u>\$ 185,630</u>	<u>\$ 43,385,829</u>

Cash and investments at June 30, 2023 consisted of the following:

Demand Deposits	\$ 4,080,741
Petty Cash	2,800
Investments	<u>39,302,288</u>
Total Cash and Investments	<u>\$ 43,385,829</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%

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS – Continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Most of the City's investments are held in trust by a fiscal agent as required by the bond indenture. A table summarizing distribution of the City's investment by maturity as of June 30, 2023 is as follows:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25 to 60 Months	
Local Agency Investment Fund	\$ 12,451,055	\$ -	\$ -	\$ 12,451,055
Money Market Mutual Funds	20,452	-	-	20,452
Certificates of Deposit	900,183	1,273,987	4,213,699	6,387,869
U.S. Treasury Notes	-	3,537,070	5,659,043	9,196,113
Federal Agency Securities				-
Corporate Medium-term Notes	775,926	1,475,999	6,754,820	9,006,744
Municipal Bonds	-	273,192	1,553,112	1,826,304
Held by Bond Trustees:				
Money Market Mutual Funds	413,751	-	-	413,751
Total	\$ 14,561,366	\$ 6,560,248	\$ 18,180,674	\$ 39,302,288

Disclosures Relating to Credit Risk

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

Investment Type	Total Investments	Minimum Legal Rating	Rating as of Year End			
			AAA	AA+/A	Not Required to be Rated	Unrated
Local Agency Investment Fund	\$ 12,451,055	N/A	\$ -	\$ -	\$ -	\$ 12,451,055
Money Market Mutual Funds	20,452	N/A	-	-	-	20,452
Certificates of Deposit	6,387,869	N/A	-	-	-	6,387,869
U.S. Treasury Note	9,196,113	N/A	-	9,196,113	-	-
Corporate Medium-term Notes	9,006,744	AA	895,299	8,111,445	-	-
Municipal Bonds	1,826,304	AA	808,277	1,018,027	-	-
Held by Bond Trustees:						
Money Market Mutual Funds	413,751	AAA	413,751	-	-	-
Total	\$ 39,302,288		\$ 2,117,327	\$ 18,325,585	\$ -	\$ 18,859,376

Concentration of Credit Risk

At June 30, 2023, the City had no investments in any one issuer that represent more than 5% of total City investments.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

2) CASH AND INVESTMENTS – Continued

Custodial Credit Risk

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

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

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

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

Investment in State Investment Pool

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

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

- U.S. Treasury Notes of \$9,196,113 are valued using quoted market prices (Level 1 inputs).
- Corporate Medium-term Notes of \$9,006,744 are valued using a matrix pricing model (Level 2 inputs).
- Certificates of Deposit of \$6,387,869 are valued using a matrix pricing model (Level 2 inputs).
- Municipal Bonds of \$1,826,304 are valued using a matrix pricing model (Level 2 inputs).

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The General Fund has loaned \$5,113,486 to the Capital Grants Fund and \$236,387 to non-major governmental funds to cover operating cash deficits. These amounts are reported as Due from Other Funds, and are expected to be paid back in the following fiscal year.

Long-term Advances

At June 30, 2023, the City reported the following interfund long-term advances:

		ADVANCES FROM		
		Retirement Tax Fund	Sewer Fund	Total
ADVANCES TO	General Fund	\$ 3,138,186	\$ -	\$ 3,138,186
	Water Fund	224,625	317,489	542,114
	Sewer Fund	224,624	-	224,624
	Total	<u>\$ 3,587,435</u>	<u>\$ 317,489</u>	<u>\$ 3,904,924</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 Local Agency Investment Fund. As of June 30, 2023, the outstanding balance of the advance is \$317,489.
- (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, 2023, the outstanding balance due from the General Fund, Water Fund, and Sewer Fund are \$3,138,186, \$224,625, and \$224,624.

Summary of Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 400,000
	Water Enterprise Fund	60,000
	Sewer Enterprise Fund	60,000
Other Governmental Funds	General Fund	3,053,194
Internal Service Funds	General Fund	55,000
	Water Enterprise Fund	80,004
	Sewer Enterprise Fund	20,004
		<u>\$ 3,728,202</u>

The transfers to the General Fund from the Other Governmental Funds of \$400,000 were to cover costs for public works projects and public safety overtime costs. The transfers to the General Fund from the Water and Sewer funds of \$60,000 and \$60,000 respectively, were for annual lease payments for use of the City's facilities. The General Fund transferred \$3,053,194 to other governmental funds to fund various project costs.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

The Water Fund transferred \$80,004 to the Internal Service Funds for the Water Fund's portion of property insurance premiums for covered well sites, and for improvements. The Sewer Fund transferred \$20,004 to the Internal Service Funds for improvements.

4) CAPITAL ASSETS ACTIVITY

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in Progress	4,862,875	15,544,463	134,529	20,272,809
Total Capital Assets Not Depreciated	9,259,980	15,544,463	134,529	24,669,914
Capital Assets, Being Depreciated:				
Buildings	30,059,342	81,268	-	30,140,610
Improvements Other than Buildings	5,492,057	203,786	-	5,695,843
Machinery and Equipment	11,358,270	3,066,513	-	14,424,783
Infrastructure	60,040,712	2,913,282	-	62,953,994
Total Capital Assets Being Depreciated	106,950,381	6,264,849	-	113,215,230
Less Accumulated Depreciation:				
Buildings	(14,456,444)	(860,657)	-	(15,317,101)
Improvements Other than Buildings	(4,234,814)	(188,186)	-	(4,423,000)
Machinery and Equipment	(9,033,935)	(433,850)	-	(9,467,785)
Infrastructure	(41,293,666)	(1,331,332)	-	(42,624,998)
Total Accumulated Depreciation	(69,018,859)	(2,814,025)	-	(71,832,884)
Net Capital Assets Being Depreciated	37,931,522	3,450,824	-	41,382,346
Total Capital Assets	\$ 47,191,502	\$ 18,995,287	\$ 134,529	\$ 66,052,260

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 981,168	\$ -	\$ -	\$ 981,168
Water Rights	624,659	-	-	624,659
Construction in Progress	313,603	405,978	58,475	661,106
Total Capital Assets Not Depreciated	1,919,430	405,978	58,475	2,266,933
Capital Assets, Being Depreciated:				
Buildings	5,749,295	-	-	5,749,295
Improvements Other than Buildings	1,676,392	1,056,889	-	2,733,281
Machinery and Equipment	8,576,638	613,564	-	9,190,202
Infrastructure	25,638,123	188,649	-	25,826,772
Total Capital Assets Being Depreciated	41,640,448	1,859,102	-	43,499,550
Less Accumulated Depreciation:				
Buildings	(3,855,642)	(100,215)	-	(3,955,857)
Improvements Other than Buildings	(279,711)	(85,296)	-	(365,007)
Machinery and Equipment	(7,217,752)	(187,501)	-	(7,405,253)
Infrastructure	(17,023,398)	(625,087)	-	(17,648,485)
Total Accumulated Depreciation	(28,376,503)	(998,099)	-	(29,374,602)
Net Capital Assets Being Depreciated	13,263,945	861,003	-	14,124,948
Total Capital Assets	\$ 15,183,375	\$ 1,266,981	\$ 58,475	\$ 16,391,881

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

4) CAPITAL ASSETS ACTIVITY - Continued

Depreciation expense was charged to functions/programs as follows:

Function/Program	Governmental Activities	Business-type Activities
General Government	\$ 9,007	\$ -
Public Safety	379,893	-
Public Works	2,129,935	-
Parks and Recreation	88,922	-
Community Development	206,268	-
Water	-	760,863
Sewer	-	234,728
Waste Disposal	-	2,508
Total Depreciation	<u>\$ 2,814,025</u>	<u>\$ 998,099</u>

5) LOANS RECEIVABLE

The City uses Community Development Block Grant (CDBG) funds to provide housing rehabilitation loans to eligible applicants. Such loans are made to low and moderate-income persons to improve, rehabilitate, or replace residences. The CDBG fund's primary asset consists of notes receivable from participants that originated from HUD funds. The CDBG loans totaling \$243,071 when collected, are due back to the granting agency and, therefore, are reported as due to other agencies in the financial statements.

6) LONG-TERM LIABILITIES ACTIVITY

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,285,000	\$ -	\$ 95,000	\$ 2,190,000	\$ 100,000
Premium	97,089	-	5,711	91,378	5,711
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	563,807	-	563,807	-	-
Pension Obligation Bonds Series 2021A	30,540,000	-	1,030,000	29,510,000	1,035,000
Claims Payable	3,452,690	5,500,411	3,807,904	5,145,197	1,552,825
Insurance Assessment Payable	405,285	-	81,057	324,228	81,057
Compensated Absences	1,559,304	993,639	911,318	1,641,625	730,505
Net Pension Liability	27,937,799	-	10,468,126	17,469,673	-
Total OPEB Liability	41,139,981	-	8,632,679	32,507,302	-
Total	<u>\$ 107,980,955</u>	<u>\$ 6,494,050</u>	<u>\$ 25,595,602</u>	<u>\$ 88,879,403</u>	<u>\$ 3,505,098</u>
Business-type Activities:					
Compensated Absences	\$ 232,999	\$ 135,496	\$ 144,638	\$ 223,857	\$ 124,755
Net Pension Liability	4,911,939	-	2,143,662	2,768,277	-
Total OPEB Liability	6,147,353	-	1,714,538	4,432,815	-
Loans payable from Direct Borrowing:					
Radio Equipment Purchase	102,636	-	102,636	-	-
2020 Installment Sale Agreement	1,100,000	-	130,000	970,000	130,000
Pension Obligation Bonds Series 2021B	4,560,000	-	150,000	4,410,000	150,000
Total	<u>\$ 17,054,927</u>	<u>\$ 135,496</u>	<u>\$ 4,385,474</u>	<u>\$ 12,804,949</u>	<u>\$ 404,755</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

6) LONG-TERM LIABILITIES ACTIVITY – Continued

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

2016 Installment Sale Agreement

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 100,000	\$ 77,437	\$ 177,437
2025	105,000	72,438	177,438
2026	110,000	67,187	177,187
2027	115,000	61,688	176,688
2028	120,000	57,087	177,087
2029 - 2033	675,000	217,438	892,438
2034 - 2038	790,000	105,768	895,768
2039	175,000	5,687	180,687
Totals	<u>\$ 2,190,000</u>	<u>\$ 664,730</u>	<u>\$ 2,854,730</u>

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:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

6) LONG-TERM LIABILITIES ACTIVITY – Continued

Series 2021A

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,035,000	\$ 708,500	\$ 1,743,500
2025	1,040,000	702,518	1,742,518
2026	1,050,000	693,480	1,743,480
2027	1,060,000	681,836	1,741,836
2028	1,075,000	667,219	1,742,219
2029 - 2033	5,665,000	3,040,958	8,705,958
2034 - 2038	6,355,000	2,351,940	8,706,940
2039 - 2043	7,305,000	1,399,212	8,704,212
2044 - 2046	4,925,000	298,350	5,223,350
Totals	<u>\$ 29,510,000</u>	<u>\$ 10,544,013</u>	<u>\$ 40,054,013</u>

Series 2021B

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 150,000	\$ 113,675	\$ 263,675
2025	155,000	112,688	267,688
2026	155,000	111,217	266,217
2027	155,000	109,281	264,281
2028	160,000	106,895	266,895
2029 - 2033	840,000	486,916	1,326,916
2034 - 2038	950,000	375,641	1,325,641
2039 - 2043	1,100,000	223,759	1,323,759
2044 - 2046	745,000	47,738	792,738
Totals	<u>\$ 4,410,000</u>	<u>\$ 1,687,810</u>	<u>\$ 6,097,810</u>

Net Pension Liability

On April 9, 1946, the voters of the City of San Fernando approved an ad valorem property tax to raise the funds necessary to pay the City's annual obligation to CalPERS for the retirement benefits of City employees. In 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 2022-23, the levy was \$0.190332 per \$100 of assessed valuation, which was sufficient to fully fund the City's CalPERS retirement costs.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

6) LONG-TERM LIABILITIES ACTIVITY – Continued

If the annual cost exceeds the amount that can be raised through the maximum special retirement tax levy, the remaining cost would be liquidated primarily from the General Fund. More information related to the City's Net Pension Liability is included in Note 7.

Insurance Assessment Payable

In 2017, the City was assessed a Liability Program Assessment of \$848,269 for its share of prior year claims payments shortfalls in the insurance pool program, Independent Cities Risk Management Authority (ICRMA). The liability is payable over a 10-year period with the first payment of \$37,699 made in the period ended June 30, 2017. The following represents the future debt service requirements on the Insurance Assessment Payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 324,228</u>	<u>\$ 278,750</u>	<u>\$ 602,978</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. For 2022-23, the Net Revenues amounted to approximately (\$930,000) while the required Net Revenues based on the debt agreement approximated \$192,000. Maintenance and Operations expenses increased primarily due to costs of importing water from the Metropolitan Water District (MWD) to meet demand while completing current water treatment projects.

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
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>\$ 970,000</u>	<u>\$ 75,050</u>	<u>\$ 1,045,050</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

6) LONG-TERM LIABILITIES ACTIVITY – Continued

Other Post-Employment Benefits (OPEB) Obligation

OPEB, i.e. retiree medical benefits, are primarily paid from the City's General Fund. In 2015, the City negotiated restructuring retiree medical benefits with all bargaining units. Employees hired after July 1, 2015 receive the minimum retiree medical benefits required by the Public Employees Medical and Health Care Act (PEMHCA), which was \$151 per month for calendar year 2023. The PEMHCA minimum is adjusted by CalPERS annually to account for inflation. In addition, the City established retiree health savings accounts for employees that only qualify for the PEMHCA minimum. The amount contributed by the City is negotiated with each bargaining unit and currently ranges from \$50 - \$150 per month. More information related to the City's OPEB liability is included in Note 8.

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

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police) and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68.

Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors seven rate plans (three miscellaneous and four safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report.

Details of the benefits provided can be obtained in Appendix B of the June 30, 2021 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, 2023, are summarized as follows:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

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

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA
	Prior to November 12, 2005	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 60 single highest year	2% @ 55 36 month average	2% @ 62 36 month average
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	55	62
Monthly benefits, as a % of eligible compensation	2% to 3%	2%	2%
Required employee contribution rates	8%	7%	7.5%
Required employer contribution rates	16.30% + \$334,216	11.65% + \$13,870	7.65% + \$1,290

	Safety Tier I	Safety Tier II	Safety Tier III	Safety PEPRA
	Prior to January 6, 1994	Prior to September 8, 2012	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	3% @ 50 single highest year	3% @ 50 36 month average	3% @ 55 36 month average	2.7% @ 55 36 month average
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50	50	55	55
Monthly benefits, as a % of eligible compensation	3%	3%	3%	2.7%
Required employee contribution rates	9%	9%	9%	13%
Required employer contribution rates	25.48% + \$325,815	22.47% + \$1,426	20.64%	12.78% + \$1,093

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 \$677,710 in fiscal year 2023.

The City’s contributions to the Plan for the year ended June 30, 2023 were \$2,231,886.

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

As of June 30, 2023, the City reported a liability of \$20,237,950 for its proportionate share of the net pension liability. The City’s net pension liability for the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

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

June 30, 2021 rolled forward to June 30, 2022 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 2023 was as follows:

Proportion - June 30, 2022	0.60740%
Proportion - June 30, 2023	0.17521%
Change - Increase (Decrease)	-0.43219%

For the year ended June 30, 2023, the City recognized pension expense of \$1,608,723. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,231,886	\$ -
Differences between actual and expected experience	353,213	-
Changes in assumptions	2,058,764	-
Change in employer's proportion	-	34,296,192
Differences between the employer's contributions and the employer's proportionate share of contributions	24,004,472	-
Net differences between projected and actual earnings on plan investments	3,475,556	-
Total	<u>\$ 32,123,891</u>	<u>\$ 34,296,192</u>

The \$2,231,886 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, 2024. 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,	
2024	\$ (2,345,344)
2025	(2,488,283)
2026	(1,693,983)
2027	2,123,423
2028	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term 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 follows:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

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

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease	5.90%
Net Pension Liability	\$ 40,446,302
Current Discount Rate	6.90%
Net Pension Liability	\$ 20,237,950
1% Increase	7.90%
Net Pension Liability	\$ 3,664,611

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, 2023, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2023.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

8) OTHER POST-EMPLOYMENT BENEFITS

Plan Description - For employees hired prior to July 1, 2015, the City contributes to a single-employer defined benefit plan to provide post-employment health care benefits (the "Plan"). Specifically, the City provides health insurance for its retired employees and their dependent spouses (if married and covered on the City's plan at time of retirement), or survivors in accordance with Board resolutions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided - Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of 5 years of service within the PERS system as long as such individuals retire within 120 days of separation from employment and receive a monthly retirement allowance.

The City pays 100% of all premiums charged for the retiree and dependents under the health benefit plan administered by CalPERS in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. Medical coverage is provided for the surviving spouse of retired employees and the surviving spouse of active employees who upon death had attained age 50 and who had a minimum of 5 years of service within the PERS system in addition to satisfying the requirement to retire within 120 days of separation. The City will pay 100% of the premiums charged until the surviving spouse remarries, becomes enrolled under another group health plan, or cancels coverage. The plan does not provide a publicly available financial report.

For employees hired on or after July 1, 2015, the City will provide the minimum retiree health benefit required by the Public Employees Medical and Health Care Act (PEMHCA), which was \$151 per month for calendar year 2023 and adjusted by CalPERS annually to account for inflation, and \$50 - \$150 per month into a Retiree Health Savings Account (RSA), depending on bargaining unit.

Employees Covered by Benefit Terms – As of the June 30, 2022 actuarial valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	109
Inactive employees entitled to but not yet receiving benefits	11
Active employees	105
	<u>225</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, 2022 and was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

8) OTHER POST-EMPLOYMENT BENEFITS – Continued

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age, Level Percent of Pay
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2021 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
Inflation Rate	2.50%
Salary Changes	2.75%
Discount Rate	3.69% - Fidelity GO AA - 20-year Index at June 30, 2022 1.92% - Fidelity GO AA - 20-year Index at June 30, 2021

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2021 (measurement date)	\$ 47,287,335
Changes in the year:	
Service cost	1,573,742
Interest on the total OPEB liability	924,278
Differences between expected and actual experience	-
Assumption Changes	(11,402,013)
Benefit payments, including refunds	(1,443,225)
Net changes	(10,347,218)
Balance at June 30, 2022 (measurement date)	\$ 36,940,117

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

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB liability (asset)	\$ 42,802,698	\$ 36,940,117	\$ 32,237,402

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

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 31,451,884	\$ 36,940,117	\$ 43,929,619

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

8) OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the City recognized OPEB expense/(credit) of (\$781,679). 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	\$ 1,388,415	\$ -
Changes of Assumptions	2,914,569	10,388,797
Differences between actual and expected experience	-	3,496,036
Total	<u>\$ 4,302,984</u>	<u>\$ 13,884,833</u>

The \$1,388,415 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	\$ (2,542,696)
2025	(2,391,149)
2026	(2,287,500)
2027	(2,527,276)
2028	(1,221,643)
Thereafter	-

9) SELF-INSURANCE PROGRAM

The City is self-insured for workers' compensation claims, unemployment insurance, property insurance, and comprehensive general and automobile liability. The City purchases excess workers' compensation and liability insurance through its membership in the Independent Cities Risk Management Authority (ICRMA), a joint powers authority formed to pool the assets of its members to increase excess insurance buying power. ICRMA procures coverage for its members, in excess of each member's selected self-insured retention, for up to \$30,000,000 per insured occurrence for liability claims and statutory limits for workers' compensation claims. ICRMA is considered a self-sustaining risk pool with 16 member cities. Annual premium payments are paid by member cities and are adjusted retrospectively to cover costs.

Each member city self-insures from the first dollar to their selected self-insured retention. Each member city appoints one member and two alternates to the ICRMA Governing Board.

At June 30, 2023, the internal service fund had a deficit fund balance of \$3,425,209. 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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

9) SELF-INSURANCE PROGRAM - Continued

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, 2023, the amount of these liabilities was \$1,886,888. This liability is the City's best estimate based on available information.

General Liability

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

Excess insurance is provided through ICRMA from \$250,001 to \$35,000,000 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, 2023, the amount of these liabilities was \$3,258,309. This liability is the City's best estimate based on available information. Annual settlements during each of the last three fiscal years have not exceeded insurance coverage in any year.

Changes in Self-Insurance Liability

Changes in the reported claims liabilities resulted from the following:

	FY 2022-23	FY 2021-22	FY 2020-21
Beginning of Year	\$ 3,452,690	\$ 3,253,932	\$ 2,987,895
Claims and Changes in Estimates	5,500,411	1,970,134	1,694,576
Claim Payments	(3,807,904)	(1,771,376)	(1,428,539)
End of Year	<u>\$ 5,145,197</u>	<u>\$ 3,452,690</u>	<u>\$ 3,253,932</u>

10) DEFICIT NET POSITION/FUND BALANCES

The following deficits in non-major governmental funds at June 30, 2023 will be eliminated through the collection of revenues in the future:

	Deficit
Non-major Funds:	
Mall Maintenance Operations	158,523
Local Transportation	37,305
Recreation	30,674
Operating Grants	725,327

11) COMMITMENTS AND CONTINGENCIES

Various claims and lawsuits have been filed against the City in the normal course of business. Based upon information obtained from the City attorney and the self-insurance administrators, the estimated liability under such claims and litigation will not exceed the accrued self-insurance liability recorded in the government-wide statement of net position.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2023

11) COMMITMENTS AND CONTINGENCIES - Continued

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.

Outstanding construction commitments amounted to approximately \$12.4 million as of June 30, 2023.

12) PRIOR PERIOD ADJUSTMENTS

Beginning Net Position in Governmental Activities, and Beginning Fund Balances in Governmental Funds were reduced by \$8,559,721 for prior years' grant revenues which should have been reported as Unearned Revenues. Beginning Net Position in Governmental Activities was increased by \$1,093,325 for amounts which should have been reported as Grant Revenues in prior years.

13) SUBSEQUENT EVENTS

On May 1, 2023, the City Council approved a resolution establishing a Section 115 Trust for OPEB liabilities and related Multiple Employer OPEB/Pension 115 Trust. While initial funding of the account totaling \$500,000 was approved in the Fiscal Year 2022-2023 Adopted Budget, the cash to establish the fund was not transmitted until July 20, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2023

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

	Measurement Period					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 1,573,742	\$ 1,832,835	\$ 1,588,774	\$ 1,398,168	\$ 1,380,011	\$ 1,601,768
Interest on total OPEB liability	924,278	1,256,206	1,397,186	1,630,542	1,552,449	1,364,732
Changes in assumptions	(11,402,013)	(1,490,219)	4,619,043	(2,513,954)	(425,186)	(4,804,507)
Actual vs. Expected Experience	-	(3,094,378)	-	-	-	-
Benefit payments, including refunds	(1,443,225)	(1,315,946)	(1,111,780)	(1,107,138)	(1,074,819)	(1,064,148)
Net change in total OPEB liability	(10,347,218)	(2,811,502)	6,493,223	(592,382)	1,432,455	(2,902,155)
Total OPEB liability - beginning	47,287,335	50,098,837	43,605,614	44,197,996	42,765,541	45,667,696
Total OPEB liability - ending	<u>\$ 36,940,117</u>	<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-employee payroll	\$ 10,895,730	\$ 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	339.03%	470.35%	475.07%	428.49%	533.02%	443.36%

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

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

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

Benefit Changes: None

Changes in Assumptions:

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

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

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

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

The discount rate was changed from 1.92% to 3.69% for the June 30, 2022 measurement period.

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2023

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
2022	0.17521%	\$ 20,237,950	\$ 9,142,756	221.36%	86.26%
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 2022, the accounting discount rate was changed from 7.15% to 6.90%. In 2017, the accounting discount rate changed from 7.65% to 7.15%.

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2023

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
2023	\$ 2,231,886	\$ (2,231,886)	\$ -	\$ 10,478,106	21.30%
2022	40,691,069	(4,417,075)	36,273,994	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.

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/2019, 6/30/2020 and 6/30/2021

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 17,957,820	\$ 18,103,878	\$ 20,049,742	\$ 1,945,864
Licenses and Permits	360,700	360,700	477,454	116,754
Charges for Services	781,774	781,774	665,499	(116,275)
Fines and Forfeitures	465,600	465,600	418,240	(47,360)
Investment Earnings	608,589	608,589	557,907	(50,682)
Intergovernmental	3,036,557	3,036,557	3,123,012	86,455
Other	43,000	43,000	61,674	18,674
Total Revenues	23,254,040	23,400,098	25,353,528	1,953,430
EXPENDITURES				
Current:				
General Government:				
City Council	179,000	179,000	162,770	16,230
Administration	492,350	492,350	515,830	(23,480)
Personnel	403,205	403,205	376,507	26,698
City Attorney	153,914	430,792	476,414	(45,622)
City Clerk	271,828	271,828	258,560	13,268
Elections	61,641	61,641	38,678	22,963
Financial Management	711,617	711,617	684,654	26,963
Information Technology	519,271	519,839	365,113	154,726
Retirement and Nondepartmental	1,608,088	1,435,795	908,851	526,944
Public Safety:				
Police	10,268,099	10,279,008	10,870,792	(591,784)
Fire	3,150,000	3,062,793	3,062,793	-
Community Development	1,675,707	1,744,578	1,292,723	451,855
Public Works	2,297,295	2,371,202	2,014,085	357,117
Parks and Recreation	1,709,930	1,710,961	1,656,096	54,865
Capital Outlay	-	-	4,990	(4,990)
Debt Service	-	24,642	24,642	-
Total Expenditures	23,501,945	23,699,251	22,713,498	985,753
Excess (Deficiency) of Revenues over Expenditures	(247,905)	(299,153)	2,640,030	2,939,183
OTHER FINANCING SOURCES (USES)				
Transfers In	520,000	520,000	520,000	-
Transfers Out	(281,333)	(3,309,885)	(3,108,194)	201,691
Total Other Financing Sources (Uses)	238,667	(2,789,885)	(2,588,194)	201,691
Net Change in Fund Balances	(9,238)	(3,089,038)	51,836	3,140,874
Fund Balance, Beginning of Year	10,231,041	10,231,041	10,231,041	-
Fund Balance, End of Year	\$ 10,221,803	\$ 7,142,003	\$ 10,282,877	\$ 3,140,874

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Retirement Tax Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	\$ 4,587,178	\$ 4,587,178	\$ 5,272,636	\$ 685,458
Investment Earnings	-	-	(24,654)	(24,654)
Other	100,000	100,000	195,680	95,680
Total Revenues	4,687,178	4,687,178	5,443,662	756,484
EXPENDITURES				
Current:				
General Government	1,632,573	1,632,573	1,326,130	306,443
Public Safety	1,134,960	1,134,960	1,164,811	(29,851)
Community Development	72,711	72,711	72,555	156
Public Works	104,717	104,717	115,640	(10,923)
Parks and Recreation	85,678	85,678	87,728	(2,050)
Debt Service:				
Principal	1,030,000	1,030,000	1,030,000	-
Interest and Fiscal Charges	712,126	712,126	712,126	-
Total Expenditures	4,772,765	4,772,765	4,508,990	263,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,587)	(85,587)	934,672	1,020,259
OTHER FINANCING SOURCES (USES)				
Transfers In	201,201	201,201	-	(201,201)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	201,201	201,201	-	(201,201)
Net Change in Fund Balances	115,614	115,614	934,672	819,058
Fund Balance, Beginning of Year	9,435,544	9,435,544	9,435,544	-
Fund Balance, End of Year	<u>\$ 9,551,158</u>	<u>\$ 9,551,158</u>	<u>\$ 10,370,216</u>	<u>\$ 819,058</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - ARPA Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 5,568,340	\$ 5,568,340	\$ -
Other	-	-	-	-
Total Revenues	-	5,568,340	5,568,340	-
EXPENDITURES				
Current:				
General Government	-	917,645	62,003	855,642
Public Works	-	3,650,990	194,892	3,456,098
Capital Outlay	-	1,007,232	1,007,232	-
Total Expenditures	-	5,575,867	1,264,127	4,311,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(7,527)	4,304,213	4,311,740
Fund Balance, Beginning of Year	7,527	7,527	7,527	-
Fund Balance, End of Year	<u>\$ 7,527</u>	<u>\$ -</u>	<u>\$ 4,311,740</u>	<u>\$ 4,311,740</u>

City of San Fernando
Notes to Required Supplementary Information
Year Ended June 30, 2023

BUDGETS AND BUDGETARY ACCOUNTING

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

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

- The annual budget provides for the general operation of the City and is adopted by the City Council after the holding of a public hearing. The budget figures presented in the accompanying required supplementary information financial schedules represent the original and final revised budget and include proposed expenditures and related financing.
- The City Council approves total budget appropriations and may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer within individual fund budgets without the approval of City Council; however, total appropriations may not be exceeded at the department level. The legal level of budgetary control is at the department level. The appropriated budget covers City expenditures in the General Fund, and Special Revenue Funds. Project length plans are adopted for the capital projects funds with unexpended funds at June 30 re-appropriated in the following year. The debt service on bond issues constitutes a legally authorized "non-appropriated budget". During fiscal year 2022-23, approximately \$200,000 in supplemental budget appropriations in the General Fund were approved by the City Council.
- Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Encumbrances at year-end lapse, and then are added to the following year's budgeted appropriations.
- Annual budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with generally accepted accounting principles. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the Proprietary Funds, as the City is not legally required to adopt budgets for this type of fund. In addition, the City did not adopt a budget for the Housing Special Revenue Fund.
- Capital projects are budgeted through the Capital Projects Funds on a project-by-project basis. Appropriations for capital projects authorized but not constructed or completed during the year lapse at year-end, and are then included as part of appropriations in the following year's annual budget.

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

SUPPLEMENTARY INFORMATION

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Grants Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 27,746,051	\$ 7,622,547	\$ (20,123,504)
Other	-	-	-
	<u>27,746,051</u>	<u>7,622,547</u>	<u>(20,123,504)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Safety	-	610	(610)
Public Works	-	-	-
Parks and Recreation	952,989	802,629	150,360
Capital Outlay	41,608,029	13,714,252	27,893,777
Debt Service:			
Principal	1,335,441	499,254	836,187
Interest and Fiscal Charges	14,927	14,927	-
	<u>43,911,386</u>	<u>15,031,672</u>	<u>28,879,714</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,165,335)	(7,409,125)	8,756,210
Fund Balance, Beginning of Year	(1,092,637)	(1,092,637)	-
Fund Balance, End of Year	<u>\$ (17,257,972)</u>	<u>\$ (8,501,762)</u>	<u>\$ 8,756,210</u>

THIS PAGE INTENTIONALLY LEFT BLANK

City of San Fernando
Other Governmental Funds
June 30, 2023

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of San Fernando
Other Governmental Funds – Continued
June 30, 2023

SPECIAL REVENUE FUNDS - Continued

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

City of San Fernando
Combining Balance Sheet
Other Governmental Funds
June 30, 2023

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety
ASSETS					
Cash and Investments	\$ 607,288	\$ -	\$ 371,879	\$ 21,305	\$ 11,741
Restricted Cash and Investments	1,925	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	853	-	905
Grants	-	-	-	-	-
Leases	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	\$ 609,213	\$ -	\$ 372,732	\$ 21,305	\$ 12,646
LIABILITIES					
Accounts Payable	\$ 110,082	\$ 2,392	\$ 20,397	\$ -	\$ -
Accrued Liabilities	203	5,366	2,092	-	43
Deposits	10	-	-	-	-
Due to Other Funds	-	150,765	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
Total Liabilities	110,295	158,523	22,489	-	43
DEFERRED INFLOWS					
Lease Related	-	-	-	-	-
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
FUND BALANCES					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	498,918	-	350,243	21,305	12,603
Housing	-	-	-	-	-
Air Pollution	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	(158,523)	-	-	-
Total Fund Balances	498,918	(158,523)	350,243	21,305	12,603
Total Liabilities, Deferred Inflows and Fund Balances	\$ 609,213	\$ -	\$ 372,732	\$ 21,305	\$ 12,646

Parking Maintenance and Operations	Local Transportation	Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax
\$ 365,054	\$ -	\$ -	\$ 33,996	\$ 492,429	\$ 308	\$ 150,551
-	-	-	-	-	-	-
1,658	-	-	-	6,090	-	52,129
-	-	-	-	-	-	-
-	-	-	-	-	-	-
175,611	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	895	-	-	-	-
<u>\$ 542,323</u>	<u>\$ -</u>	<u>\$ 895</u>	<u>\$ 33,996</u>	<u>\$ 498,519</u>	<u>\$ 308</u>	<u>\$ 202,680</u>
\$ 22,123	\$ 851	\$ 16,833	\$ -	\$ 25,655	\$ -	\$ 202,680
3,195	-	13,784	152	3,707	-	-
1,067	-	-	-	-	-	-
-	36,454	952	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>26,385</u>	<u>37,305</u>	<u>31,569</u>	<u>152</u>	<u>29,362</u>	<u>-</u>	<u>202,680</u>
175,020	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>175,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	895	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	33,844	-	-	-
-	-	-	-	469,157	308	-
-	-	-	-	-	-	-
340,918	-	-	-	-	-	-
-	(37,305)	(31,569)	-	-	-	-
<u>340,918</u>	<u>(37,305)</u>	<u>(30,674)</u>	<u>33,844</u>	<u>469,157</u>	<u>308</u>	<u>-</u>
<u>\$ 542,323</u>	<u>\$ -</u>	<u>\$ 895</u>	<u>\$ 33,996</u>	<u>\$ 498,519</u>	<u>\$ 308</u>	<u>\$ 202,680</u>

Continued

City of San Fernando
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2023

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management	Proposition C
ASSETS					
Cash and Investments	\$ 174	\$ 172,842	\$ 497,484	\$ 13,734	\$ 512,680
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes	-	7,844	-	-	-
Accounts	-	-	-	-	-
Grants	-	-	-	-	-
Leases	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 174</u>	<u>\$ 180,686</u>	<u>\$ 497,484</u>	<u>\$ 13,734</u>	<u>\$ 512,680</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 220,014
Accrued Liabilities	-	-	-	-	20,554
Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,568</u>
DEFERRED INFLOWS					
Lease Related	-	-	-	-	-
Unavailable Revenues - Grants	-	7,844	-	-	-
	<u>-</u>	<u>7,844</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	-	-	497,484	13,734	272,112
Housing	-	-	-	-	-
Air Pollution	-	172,842	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	174	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>174</u>	<u>172,842</u>	<u>497,484</u>	<u>13,734</u>	<u>272,112</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 174</u>	<u>\$ 180,686</u>	<u>\$ 497,484</u>	<u>\$ 13,734</u>	<u>\$ 512,680</u>

Community Development Block Grant	Community Development Surcharge	Operating Grants	STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab
\$ -	\$ 176,238	\$ -	\$ 246,806	\$ 209,295	\$ 1,557,752	\$ 1,114,005
-	-	-	-	-	-	-
-	-	-	-	-	-	92,480
-	230	3,198	-	-	-	-
34,336	-	646,784	-	-	-	-
-	-	-	-	-	-	-
243,070	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 277,406</u>	<u>\$ 176,468</u>	<u>\$ 649,982</u>	<u>\$ 246,806</u>	<u>\$ 209,295</u>	<u>\$ 1,557,752</u>	<u>\$ 1,206,485</u>
\$ 5,988	\$ 3,184	\$ 233,972	\$ -	\$ -	\$ 1,169,217	\$ 1,003,154
-	7,236	2,897	-	-	-	-
-	-	12,510	-	-	-	-
28,347	-	19,869	-	-	-	-
-	-	475,988	-	-	-	-
243,071	-	-	-	-	-	-
<u>277,406</u>	<u>10,420</u>	<u>745,236</u>	<u>-</u>	<u>-</u>	<u>1,169,217</u>	<u>1,003,154</u>
-	-	-	-	-	-	-
-	-	630,073	-	-	-	-
-	-	630,073	-	-	-	-
-	-	-	-	-	-	-
-	-	-	246,806	-	388,535	203,331
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	209,295	-	-
-	166,048	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(725,327)	-	-	-	-
<u>-</u>	<u>166,048</u>	<u>(725,327)</u>	<u>246,806</u>	<u>209,295</u>	<u>388,535</u>	<u>203,331</u>
<u>\$ 277,406</u>	<u>\$ 176,468</u>	<u>\$ 649,982</u>	<u>\$ 246,806</u>	<u>\$ 209,295</u>	<u>\$ 1,557,752</u>	<u>\$ 1,206,485</u>

Continued

City of San Fernando
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2023

	Measure W	Housing	Capital Outlay	Total
ASSETS				
Cash and Investments	\$ 494,459	\$ 2,143,053	\$ 2,756,556	\$ 11,949,629
Restricted Cash and Investments	-	-	-	1,925
Receivables:				
Taxes	-	-	-	160,201
Accounts	-	-	-	5,186
Grants	-	-	-	681,120
Leases	-	-	-	175,611
Loans	-	1,273,762	-	1,516,832
Prepaid Items	-	-	-	895
Total Assets	\$ 494,459	\$ 3,416,815	\$ 2,756,556	\$ 14,491,399
LIABILITIES				
Accounts Payable	\$ 30,335	\$ -	\$ 1,272,918	\$ 4,339,795
Accrued Liabilities	-	169	-	59,398
Deposits	-	-	-	13,587
Due to Other Funds	-	-	-	236,387
Unearned Revenue	-	-	-	475,988
Due to Other Agencies	-	-	-	243,071
Total Liabilities	30,335	169	1,272,918	5,368,226
DEFERRED INFLOWS				
Lease Related	-	-	-	175,020
Unavailable Revenues - Grants	-	-	-	637,917
	-	-	-	812,937
FUND BALANCES				
Prepaid Items	-			895
Restricted for:				
Transportation	464,124	-	-	2,969,195
Housing	-	3,416,646	-	3,416,646
Air Pollution	-	-	-	172,842
Parks and Recreation	-	-	-	33,844
Public Safety	-	-	-	678,934
Community Development	-	-	1,483,638	1,649,686
Parking	-	-	-	340,918
Unassigned	-	-	-	(952,724)
Total Fund Balances	464,124	3,416,646	1,483,638	8,310,236
Total Liabilities, Deferred Inflows and Fund Balances	\$ 494,459	\$ 3,416,815	\$ 2,756,556	\$ 14,491,399

THIS PAGE INTENTIONALLY LEFT BLANK

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2023

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety
REVENUES					
Taxes	\$ 404,656	\$ 44,090	\$ 650,651	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	11,863	-	-
Fines and Forfeitures	-	-	-	-	5,045
Investment Earnings	34,824	-	1,463	128	-
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	439,480	44,090	663,977	128	5,045
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	4,658	95,344	569,357	-	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	945,557	-	-	-	-
Debt Service:					
Principal	95,000	-	-	-	-
Interest and Fiscal Charges	81,238	-	-	-	-
Total Expenditures	1,126,453	95,344	569,357	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,973)	(51,254)	94,620	128	5,045
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(686,973)	(51,254)	94,620	128	5,045
Fund Balances, Beginning (Restated)	1,185,891	(107,269)	255,623	21,177	7,558
Fund Balances, End of Year	\$ 498,918	\$ (158,523)	\$ 350,243	\$ 21,305	\$ 12,603

Parking Maintenance and Operations	Local Transportation	Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax
\$ 57,841	\$ -	\$ -	\$ -	\$ 333,420	\$ -	\$ -
-	-	-	-	-	-	-
123,165	-	176,937	35,130	-	-	-
-	-	-	-	-	-	-
43,387	-	-	(1,288)	-	410	-
-	3,292	-	-	-	-	597,880
-	-	-	-	-	-	-
224,393	3,292	176,937	33,842	333,420	410	597,880
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
212,831	-	-	-	250,819	-	295,312
-	-	200,343	-	-	-	-
-	17,670	-	-	-	9,961	123,687
-	-	-	-	-	-	-
-	-	-	-	-	-	-
212,831	17,670	200,343	-	250,819	9,961	418,999
11,562	(14,378)	(23,406)	33,842	82,601	(9,551)	178,881
-	-	-	-	-	-	-
-	-	-	-	-	-	(250,000)
-	-	-	-	-	-	(250,000)
11,562	(14,378)	(23,406)	33,842	82,601	(9,551)	(71,119)
329,356	(22,927)	(7,268)	2	386,556	9,859	71,119
\$ 340,918	\$ (37,305)	\$ (30,674)	\$ 33,844	\$ 469,157	\$ 308	\$ -

Continued

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2023

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management	Proposition C
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 539,697
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	364	(358)	2,990	83	(2,082)
Intergovernmental	-	31,344	-	-	-
Other	-	-	-	-	-
Total Revenues	364	30,986	2,990	83	537,615
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	210,253
Parks and Recreation	-	-	-	-	-
Capital Outlay	8,763	-	-	-	512,296
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	8,763	-	-	-	722,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,399)	30,986	2,990	83	(184,934)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(8,399)	30,986	2,990	83	(184,934)
Fund Balances, Beginning (Restated)	8,573	141,856	494,494	13,651	457,046
Fund Balances, End of Year	\$ 174	\$ 172,842	\$ 497,484	\$ 13,734	\$ 272,112

Community Development Block Grant	Community Development Surcharge	Operating Grants	STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457,752	\$ -
-	-	-	-	-	-	-
-	52,469	-	-	-	-	-
-	-	-	-	-	-	-
-	(1,232)	-	(9,430)	800	(2,054)	21,896
57,446	20,911	492,573	250,887	165,271	-	527,765
-	-	7,750	-	-	-	-
<u>57,446</u>	<u>72,148</u>	<u>500,323</u>	<u>241,457</u>	<u>166,071</u>	<u>455,698</u>	<u>549,661</u>
-	-	9,389	-	-	-	-
-	-	151,512	-	-	-	-
-	-	118,359	-	-	-	-
24,976	26,363	36,049	-	-	-	-
5,475	-	629,456	-	-	-	-
-	-	-	-	-	1,477,013	1,883,588
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,451</u>	<u>26,363</u>	<u>944,765</u>	<u>-</u>	<u>-</u>	<u>1,477,013</u>	<u>1,883,588</u>
<u>26,995</u>	<u>45,785</u>	<u>(444,442)</u>	<u>241,457</u>	<u>166,071</u>	<u>(1,021,315)</u>	<u>(1,333,927)</u>
-	-	-	-	-	-	-
-	-	-	-	(150,000)	-	-
-	-	-	-	(150,000)	-	-
26,995	45,785	(444,442)	241,457	16,071	(1,021,315)	(1,333,927)
<u>(26,995)</u>	<u>120,263</u>	<u>(280,885)</u>	<u>5,349</u>	<u>193,224</u>	<u>1,409,850</u>	<u>1,537,258</u>
<u>\$ -</u>	<u>\$ 166,048</u>	<u>\$ (725,327)</u>	<u>\$ 246,806</u>	<u>\$ 209,295</u>	<u>\$ 388,535</u>	<u>\$ 203,331</u>

Continued

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2023

	Measure W	Housing	Capital Outlay	Total
REVENUES				
Taxes	\$ 275,319	\$ -	\$ -	\$ 2,763,426
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	399,564
Fines and Forfeitures	-	-	-	5,045
Investment Earnings	(2,036)	380	-	88,245
Intergovernmental	-	-	-	2,147,369
Other	-	-	-	7,750
Total Revenues	273,283	380	-	5,411,399
EXPENDITURES				
Current:				
General Government	-	-	-	9,389
Public Safety	-	-	-	151,512
Community Development	-	19,913	-	138,272
Public Works	159,432	-	-	1,885,394
Parks and Recreation	-	-	-	835,274
Capital Outlay	-	-	3,427,093	8,405,628
Debt Service:				
Principal	-	-	-	95,000
Interest and Fiscal Charges	-	-	-	81,238
Total Expenditures	159,432	19,913	3,427,093	11,601,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	113,851	(19,533)	(3,427,093)	(6,190,308)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	3,053,194	3,053,194
Transfers Out	-	-	-	(400,000)
Total Other Financing Sources (Uses)	-	-	3,053,194	2,653,194
Net Change in Fund Balances	113,851	(19,533)	(373,899)	(3,537,114)
Fund Balances, Beginning (Restated)	350,273	3,436,179	1,857,537	11,847,350
Fund Balances, End of Year	\$ 464,124	\$ 3,416,646	\$ 1,483,638	\$ 8,310,236

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Measure R Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 375,701	\$ 404,656	\$ 28,955
Investment Earnings	-	34,824	34,824
	<u>375,701</u>	<u>439,480</u>	<u>63,779</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	2,584	4,658	(2,074)
Capital Outlay	1,381,570	945,557	436,013
Debt Service:			
Principal	95,000	95,000	-
Interest and Fiscal Charges	81,238	81,238	-
	<u>1,560,392</u>	<u>1,126,453</u>	<u>433,939</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,184,691)	(686,973)	497,718
Fund Balance, Beginning of Year	<u>1,185,891</u>	<u>1,185,891</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,200</u>	<u>\$ 498,918</u>	<u>\$ 497,718</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Mall Maintenance Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 85,000	\$ 44,090	\$ (40,910)
Total Revenues	<u>85,000</u>	<u>44,090</u>	<u>(40,910)</u>
EXPENDITURES			
Current:			
Public Works	<u>90,259</u>	<u>95,344</u>	<u>(5,085)</u>
Total Expenditures	<u>90,259</u>	<u>95,344</u>	<u>(5,085)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,259)	(51,254)	(45,995)
Fund Balance, Beginning of Year	<u>(107,269)</u>	<u>(107,269)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (112,528)</u></u>	<u><u>\$ (158,523)</u></u>	<u><u>\$ (45,995)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition A Local Transit Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 603,918	\$ 650,651	\$ 46,733
Charges for Services	15,314	11,863	(3,451)
Investment Earnings	-	1,463	1,463
	<u>619,232</u>	<u>663,977</u>	<u>44,745</u>
EXPENDITURES			
Current:			
Public Works	<u>605,724</u>	<u>569,357</u>	<u>36,367</u>
Total Expenditures	<u>605,724</u>	<u>569,357</u>	<u>36,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,508	94,620	81,112
Fund Balance, Beginning of Year	<u>255,623</u>	<u>255,623</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 269,131</u></u>	<u><u>\$ 350,243</u></u>	<u><u>\$ 81,112</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Discretionary Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 128	\$ 128
Intergovernmental	-	-	-
	-	-	-
Total Revenues	-	128	128
EXPENDITURES			
Capital Outlay	1,528,757	-	1,528,757
	1,528,757	-	1,528,757
Total Expenditures	1,528,757	-	1,528,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,528,757)	128	1,528,885
Fund Balance, Beginning of Year	21,177	21,177	-
Fund Balance, End of Year	\$ (1,507,580)	\$ 21,305	\$ 1,528,885

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Fines and Forfeitures	\$ -	\$ 5,045	\$ 5,045
Total Revenues	<u>-</u>	<u>5,045</u>	<u>5,045</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,045	5,045
Fund Balance, Beginning of Year	<u>7,558</u>	<u>7,558</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 7,558</u></u>	<u><u>\$ 12,603</u></u>	<u><u>\$ 5,045</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Parking Maintenance and Operations Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 50,000	\$ 57,841	\$ 7,841
Charges for Services	132,500	123,165	(9,335)
Investment Earnings	<u>25,789</u>	<u>43,387</u>	<u>17,598</u>
Total Revenues	<u>208,289</u>	<u>224,393</u>	<u>16,104</u>
EXPENDITURES			
Current:			
Public Works	226,863	212,831	14,032
Capital Outlay	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total Expenditures	<u>376,863</u>	<u>212,831</u>	<u>164,032</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(168,574)	11,562	180,136
Fund Balance, Beginning of Year	<u>329,356</u>	<u>329,356</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 160,782</u></u>	<u><u>\$ 340,918</u></u>	<u><u>\$ 180,136</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 23,311	\$ 3,292	\$ (20,019)
Total Revenues	<u>23,311</u>	<u>3,292</u>	<u>(20,019)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>23,311</u>	<u>17,670</u>	<u>5,641</u>
Total Expenditures	<u>23,311</u>	<u>17,670</u>	<u>5,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(14,378)	(14,378)
Fund Balance, Beginning of Year	<u>(22,927)</u>	<u>(22,927)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (22,927)</u></u>	<u><u>\$ (37,305)</u></u>	<u><u>\$ (14,378)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ 272,744	\$ 176,937	\$ (95,807)
Total Revenues	<u>272,744</u>	<u>176,937</u>	<u>(95,807)</u>
EXPENDITURES			
Current:			
Parks and Recreation	<u>279,510</u>	<u>200,343</u>	<u>79,167</u>
Total Expenditures	<u>279,510</u>	<u>200,343</u>	<u>79,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,766)	(23,406)	(16,640)
Fund Balance, Beginning of Year	<u>(7,268)</u>	<u>(7,268)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (14,034)</u></u>	<u><u>\$ (30,674)</u></u>	<u><u>\$ (16,640)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Quimby Act Fees Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Charges for Services	\$ -	\$ 35,130	35,130
Investment Earnings	-	(1,288)	(1,288)
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>33,842</u>	<u>33,842</u>
EXPENDITURES			
Current:			
Parks and Recreation	-	-	-
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	33,842	33,842
Fund Balance, Beginning of Year	<u>2</u>	<u>2</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2</u></u>	<u><u>\$ 33,844</u></u>	<u><u>\$ 33,842</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Street Lighting Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 327,550	\$ 333,420	\$ 5,870
Total Revenues	327,550	333,420	5,870
EXPENDITURES			
Current:			
Public Works	327,550	250,819	76,731
Total Expenditures	327,550	250,819	76,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	82,601	82,601
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	82,601	82,601
Fund Balance, Beginning of Year	386,556	386,556	-
Fund Balance, End of Year	\$ 386,556	\$ 469,157	\$ 82,601

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Asset Forfeiture Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	<u>-</u>	<u>410</u>	<u>410</u>
Total Revenues	<u>-</u>	<u>410</u>	<u>410</u>
EXPENDITURES			
Capital Outlay	<u>9,961</u>	<u>9,961</u>	<u>-</u>
Total Expenditures	<u>9,961</u>	<u>9,961</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,961)	(9,551)	410
Fund Balance, Beginning of Year	<u>9,859</u>	<u>9,859</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (102)</u></u>	<u><u>\$ 308</u></u>	<u><u>\$ 410</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Gas Tax Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 721,383	\$ 597,880	\$ (123,503)
Total Revenues	<u>721,383</u>	<u>597,880</u>	<u>(123,503)</u>
EXPENDITURES			
Current:			
Public Works	299,072	295,312	3,760
Capital Outlay	<u>242,930</u>	<u>123,687</u>	<u>119,243</u>
Total Expenditures	<u>542,002</u>	<u>418,999</u>	<u>123,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>179,381</u>	<u>178,881</u>	<u>(500)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balances	(70,619)	(71,119)	(500)
Fund Balance, Beginning of Year	<u>71,119</u>	<u>71,119</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ (500)</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Federal Asset Forfeiture Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	-	364	364
	-	364	364
Total Revenues	-	364	364
EXPENDITURES			
Capital Outlay	8,763	8,763	-
	8,763	8,763	-
Total Expenditures	8,763	8,763	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,763)	(8,399)	364
Fund Balance, Beginning of Year	8,573	8,573	-
Fund Balance, End of Year	\$ (190)	\$ 174	\$ 364

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - AQMD Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ (358)	\$ (358)
Intergovernmental	<u>30,000</u>	<u>31,344</u>	<u>1,344</u>
Total Revenues	<u>30,000</u>	<u>30,986</u>	<u>986</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	30,986	986
Fund Balance, Beginning of Year	<u>141,856</u>	<u>141,856</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 171,856</u></u>	<u><u>\$ 172,842</u></u>	<u><u>\$ 986</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Cash-in-Lieu of Parking Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 2,990	\$ 2,990
Other	-	-	-
	-	-	-
Total Revenues	-	2,990	2,990
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	2,990	2,990
Fund Balance, Beginning of Year	494,494	494,494	-
Fund Balance, End of Year	\$ 494,494	\$ 497,484	\$ 2,990

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Pavement Management Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 83	\$ 83
Total Revenues	<u>-</u>	<u>83</u>	<u>83</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	83	83
Fund Balance, Beginning of Year	<u>13,651</u>	<u>13,651</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 13,651</u></u>	<u><u>\$ 13,734</u></u>	<u><u>\$ 83</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Proposition C Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 500,934	\$ 539,697	\$ 38,763
Investment Earnings	-	(2,082)	(2,082)
	<u>500,934</u>	<u>537,615</u>	<u>36,681</u>
EXPENDITURES			
Current:			
Public Works	231,886	210,253	21,633
Capital Outlay	512,296	512,296	-
	<u>744,182</u>	<u>722,549</u>	<u>21,633</u>
Total Expenditures			
	<u>744,182</u>	<u>722,549</u>	<u>21,633</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,248)	(184,934)	58,314
Fund Balance, Beginning of Year	457,046	457,046	-
Fund Balance, End of Year	<u>\$ 213,798</u>	<u>\$ 272,112</u>	<u>\$ 58,314</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Block Grant Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 303,639	\$ 57,446	\$ (246,193)
Total Revenues	<u>303,639</u>	<u>57,446</u>	<u>(246,193)</u>
EXPENDITURES			
Current:			
Community Development	200,000	-	200,000
Public Works	78,639	24,976	53,663
Parks and Recreation	25,000	5,475	19,525
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>303,639</u>	<u>30,451</u>	<u>273,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	26,995	26,995
Fund Balance, Beginning of Year	<u>(26,995)</u>	<u>(26,995)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (26,995)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 26,995</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Surcharge Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ 30,000	\$ 52,469	\$ 22,469
Investment Earnings	-	(1,232)	(1,232)
Intergovernmental	<u>20,000</u>	<u>20,911</u>	<u>911</u>
Total Revenues	<u>50,000</u>	<u>72,148</u>	<u>22,148</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Public Works	<u>32,402</u>	<u>26,363</u>	<u>6,039</u>
Total Expenditures	<u>32,402</u>	<u>26,363</u>	<u>6,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,598	45,785	28,187
Fund Balance, Beginning of Year	<u>120,263</u>	<u>120,263</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 137,861</u></u>	<u><u>\$ 166,048</u></u>	<u><u>\$ 28,187</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Operating Grants Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Earnings	\$ -	\$ -	\$ -
Intergovernmental	1,876,453	492,573	(1,383,880)
Other	<u>7,500</u>	<u>7,750</u>	<u>250</u>
 Total Revenues	 <u>1,883,953</u>	 <u>500,323</u>	 <u>(1,383,630)</u>
EXPENDITURES			
Current:			
General Government	10,000	9,389	611
Public Safety	610,010	151,512	458,498
Community Development	145,728	118,359	27,369
Public Works	314,067	36,049	278,018
Parks and Recreation	<u>1,035,399</u>	<u>629,456</u>	<u>405,943</u>
 Total Expenditures	 <u>2,115,204</u>	 <u>944,765</u>	 <u>1,170,439</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (231,251)	 (444,442)	 (213,191)
 Fund Balance, Beginning of Year	 <u>(280,885)</u>	 <u>(280,885)</u>	 <u>-</u>
 Fund Balance, End of Year	 <u><u>\$ (512,136)</u></u>	 <u><u>\$ (725,327)</u></u>	 <u><u>\$ (213,191)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - STP Local Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Earnings	\$ -	\$ (9,430)	\$ (9,430)
Intergovernmental	<u>250,887</u>	<u>250,887</u>	<u>-</u>
Total Revenues	<u>250,887</u>	<u>241,457</u>	<u>(9,430)</u>
EXPENDITURES			
Capital Outlay	<u>250,887</u>	<u>-</u>	<u>250,887</u>
Total Expenditures	<u>250,887</u>	<u>-</u>	<u>250,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	241,457	241,457
Fund Balance, Beginning of Year	<u>5,349</u>	<u>5,349</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 5,349</u></u>	<u><u>\$ 246,806</u></u>	<u><u>\$ 241,457</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - SLESF Local Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 800	\$ 800
Intergovernmental	150,000	165,271	15,271
	<u>150,000</u>	<u>165,271</u>	<u>15,271</u>
Total Revenues	150,000	166,071	16,071
	<u>150,000</u>	<u>166,071</u>	<u>16,071</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,000	166,071	16,071
	<u>150,000</u>	<u>166,071</u>	<u>16,071</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(150,000)	(150,000)	-
	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	(150,000)	(150,000)	-
	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balances	-	16,071	16,071
Fund Balance, Beginning of Year	193,224	193,224	-
	<u>193,224</u>	<u>193,224</u>	<u>-</u>
Fund Balance, End of Year	\$ 193,224	\$ 209,295	\$ 16,071
	<u>\$ 193,224</u>	<u>\$ 209,295</u>	<u>\$ 16,071</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure M Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 425,794	\$ 457,752	\$ 31,958
Investment Earnings	<u>-</u>	<u>(2,054)</u>	<u>(2,054)</u>
Total Revenues	<u>425,794</u>	<u>455,698</u>	<u>29,904</u>
EXPENDITURES			
Capital Outlay	<u>1,841,791</u>	<u>1,477,013</u>	<u>364,778</u>
Total Expenditures	<u>1,841,791</u>	<u>1,477,013</u>	<u>364,778</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,415,997)	(1,021,315)	394,682
Fund Balance, Beginning of Year	<u>1,409,850</u>	<u>1,409,850</u>	
Fund Balance, End of Year	<u><u>\$ (6,147)</u></u>	<u><u>\$ 388,535</u></u>	<u><u>\$ 394,682</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Road Maintenance & Rehab Fund
Year Ended June 30, 2023

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 21,896	\$ 21,896
Intergovernmental	<u>564,259</u>	<u>527,765</u>	<u>(36,494)</u>
Total Revenues	<u>564,259</u>	<u>549,661</u>	<u>(14,598)</u>
EXPENDITURES			
Capital Outlay	<u>2,101,017</u>	<u>1,883,588</u>	<u>217,429</u>
Total Expenditures	<u>2,101,017</u>	<u>1,883,588</u>	<u>217,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,536,758)	(1,333,927)	202,831
Fund Balance, Beginning of Year	<u>1,537,258</u>	<u>1,537,258</u>	
Fund Balance, End of Year	<u><u>\$ 500</u></u>	<u><u>\$ 203,331</u></u>	<u><u>\$ 202,831</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure W Fund
Year Ended June 30, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Earnings	\$ -	\$ (2,036)	\$ (2,036)
Intergovernmental	<u>280,000</u>	<u>275,319</u>	<u>(4,681)</u>
Total Revenues	<u>280,000</u>	<u>273,283</u>	<u>(6,717)</u>
EXPENDITURES			
Current:			
Public Works	<u>445,000</u>	<u>159,432</u>	<u>285,568</u>
Total Expenditures	<u>445,000</u>	<u>159,432</u>	<u>285,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,000)	113,851	278,851
Fund Balance, Beginning of Year	<u>350,273</u>	<u>350,273</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 185,273</u></u>	<u><u>\$ 464,124</u></u>	<u><u>\$ 278,851</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Outlay Fund
Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Capital Outlay	4,859,983	3,427,093	1,432,890
Total Expenditures	4,859,983	3,427,093	1,432,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,859,983)	(3,427,093)	1,432,890
OTHER FINANCING SOURCES (USES)			
Transfers In	3,053,194	3,053,194	-
Total Other Financing Sources (Uses)	3,053,194	3,053,194	-
Net Change in Fund Balances	(1,806,789)	(373,899)	1,432,890
Fund Balance, Beginning of Year	1,857,537	1,857,537	-
Fund Balance, End of Year	\$ 50,748	\$ 1,483,638	\$ 1,432,890

NONMAJOR ENTERPRISE FUNDS

City of San Fernando
Nonmajor Enterprise Funds
June 30, 2023

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, 2023

	<u>Compressed Natural Gas</u>	<u>Waste Disposal</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 135,924	\$ 49,650	\$ 185,574
Accounts Receivable	-	-	-
Total Current Assets	<u>135,924</u>	<u>49,650</u>	<u>185,574</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	-	53,657	53,657
Accumulated Depreciation	-	(53,657)	(53,657)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>135,924</u>	<u>49,650</u>	<u>185,574</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	31,754	6,530	38,284
Accrued Liabilities	2	-	2
Total Current Liabilities	<u>31,756</u>	<u>6,530</u>	<u>38,286</u>
NET POSITION			
Net Investment In Capital Assets	-	-	-
Unrestricted	104,168	43,120	147,288
Total Net Position	<u>\$ 104,168</u>	<u>\$ 43,120</u>	<u>\$ 147,288</u>

City of San Fernando
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2023

	Compressed Natural Gas	Waste Disposal	Totals
OPERATING REVENUES			
Charges for Services	\$ 448,230	\$ -	\$ 448,230
Other	2,735	-	2,735
	<u>450,965</u>	<u>-</u>	<u>450,965</u>
OPERATING EXPENSES			
Administration and General	-	-	-
Maintenance and Operations	496,035	7,492	503,527
Depreciation	-	2,508	2,508
	<u>496,035</u>	<u>10,000</u>	<u>506,035</u>
Total Operating Expenses	<u>496,035</u>	<u>10,000</u>	<u>506,035</u>
Operating Income (Loss)	<u>(45,070)</u>	<u>(10,000)</u>	<u>(55,070)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	3,109	340	3,449
	<u>3,109</u>	<u>340</u>	<u>3,449</u>
Total Nonoperating Revenues (Expenses)	<u>3,109</u>	<u>340</u>	<u>3,449</u>
Income (Loss) Before Transfers	(41,961)	(9,660)	(51,621)
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(41,961)	(9,660)	(51,621)
Net Position, Beginning of Year	146,129	52,780	198,909
	<u>146,129</u>	<u>52,780</u>	<u>198,909</u>
Net Position, End of Year	<u>\$ 104,168</u>	<u>\$ 43,120</u>	<u>\$ 147,288</u>

City of San Fernando
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2023

	Compressed Natural Gas	Waste Disposal	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 449,654	\$ -	\$ 449,654
Payments to Suppliers and Contractors	(490,807)	(962)	(491,769)
Payments to Employees	-	-	-
Other Operating Income	2,735	-	2,735
Net Cash from Operating Activities	(38,418)	(962)	(39,380)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	3,109	340	3,449
Net Increase (Decrease) in Cash	(35,309)	(622)	(35,931)
Cash and Cash Equivalents - Beginning of Year	171,233	50,272	221,505
Cash and Cash Equivalents - End of Year	<u>\$ 135,924</u>	<u>\$ 49,650</u>	<u>\$ 185,574</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	\$ (45,070)	\$ (10,000)	\$ (55,070)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	2,508	2,508
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	1,424	-	1,424
Increase (Decrease) in Accounts Payable	5,228	6,530	11,758
Net Cash Provided by Operating Activities	<u>\$ (38,418)</u>	<u>\$ (962)</u>	<u>\$ (39,380)</u>

INTERNAL SERVICE FUNDS

City of San Fernando
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 994,393	\$ 28,969	\$ 2,002,203	\$ 3,025,565
Accounts Receivable	-	261	59,064	59,325
Inventory	44,982	-	-	44,982
Prepaid Items	-	-	-	-
Due From Other Funds	-	-	-	-
Total Current Assets	1,039,375	29,230	2,061,267	3,129,872
Noncurrent Assets:				
Capital Assets - Buildings	-	81,268	-	81,268
Capital Assets - Equipment	345,787	193,714	-	539,501
Less: Accumulated Depreciation	(121,913)	(62,605)	-	(184,518)
Total Noncurrent Assets	223,874	212,377	-	436,251
Total Assets	1,263,249	241,607	2,061,267	3,566,123
LIABILITIES				
Current Liabilities:				
Accounts Payable	97,150	108,690	17,051	222,891
Accrued Liabilities	7,488	32,473	-	39,961
Insurance Assessment Payable - Current	-	-	81,057	81,057
Claims Payable - Current	-	-	1,552,825	1,552,825
Total Current Liabilities	104,638	141,163	1,650,933	1,896,734
Noncurrent Liabilities:				
Insurance Assessment Payable	-	-	243,171	243,171
Claims Payable	-	-	3,592,372	3,592,372
Total Noncurrent Liabilities	-	-	3,835,543	3,835,543
Total Liabilities	104,638	141,163	5,486,476	5,732,277
NET POSITION				
Net Investment In Capital Assets	223,874	212,377	-	436,251
Unrestricted	934,737	(111,933)	(3,425,209)	(2,602,405)
Total Net Position	\$ 1,158,611	\$ 100,444	\$ (3,425,209)	\$ (2,166,154)

City of San Fernando
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
OPERATING REVENUES				
Charges for Services	\$ 689,592	\$ 1,527,953	\$ 1,508,306	\$ 3,725,851
Other	-	-	1,313,634	1,313,634
Total Operating Revenues	689,592	1,527,953	2,821,940	5,039,485
OPERATING EXPENSES				
Administration and General	274,352	1,454,442	4,167,083	5,895,877
Maintenance and Operations	315,698	254,735	-	570,433
Depreciation	101,331	29,513	-	130,844
Total Operating Expenses	691,381	1,738,690	4,167,083	6,597,154
Operating Income (Loss)	(1,789)	(210,737)	(1,345,143)	(1,557,669)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	5,197	10,037	(6,066)	9,168
Total Nonoperating Revenues (Expenses)	5,197	10,037	(6,066)	9,168
Income (Loss) Before Transfers	3,408	(200,700)	(1,351,209)	(1,548,501)
Transfers In	-	95,008	60,000	155,008
Transfers Out	-	-	-	-
Change in Net Position	3,408	(105,692)	(1,291,209)	(1,393,493)
Net Position, Beginning of Year	1,155,203	206,136	(2,134,000)	(772,661)
Net Position, End of Year	\$ 1,158,611	\$ 100,444	\$ (3,425,209)	\$ (2,166,154)

City of San Fernando
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	Totals
Cash Flows from Operating Activities				
Cash Received from Interfund Services Provided	\$ 703,127	\$ 1,527,961	\$ 1,503,446	\$ 3,734,534
Cash Paid to Suppliers for Goods and Services	(292,229)	(287,871)	(2,655,871)	(3,235,971)
Cash Paid to Employees	(273,785)	(1,449,361)	-	(1,723,146)
Other Operating Income	-	-	1,313,634	1,313,634
Net Cash from Operating Activities	137,113	(209,271)	161,209	89,051
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	95,008	60,000	155,008
Net Cash from Noncapital Financing Activities	-	95,008	60,000	155,008
Cash Flows from Capital Financing Activities				
Payments on Long-term Debt	-	(64,553)	-	(64,553)
Acquisition of Capital Assets	(193,745)	(81,268)	-	(275,013)
Net Cash Flows from Capital Financing Activities	(193,745)	(145,821)	-	(339,566)
Cash Flows from Investing Activities				
Interest Received	5,197	10,037	(6,066)	9,168
Net Increase (Decrease) in Cash	(51,435)	(250,047)	215,143	(86,339)
Cash and Cash Equivalents - Beginning of Year	1,045,828	279,016	1,787,060	3,111,904
Cash and Cash Equivalents - End of Year	\$ 994,393	\$ 28,969	\$ 2,002,203	\$ 3,025,565
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	\$ (1,789)	\$ (210,737)	\$ (1,345,143)	\$ (1,557,669)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	101,331	29,513	-	130,844
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	13,535	8	(4,860)	8,683
(Increase) Decrease in Inventory	(455)	-	-	(455)
Increase (Decrease) in Accounts Payable	23,924	(33,136)	(100,238)	(109,450)
Increase (Decrease) in Accrued Liabilities	567	5,081	-	5,648
Increase (Decrease) in Insurance Payable	-	-	(81,057)	(81,057)
Increase (Decrease) in Claims Payable	-	-	1,692,507	1,692,507
Net Cash from Operating Activities	\$ 137,113	\$ (209,271)	\$ 161,209	\$ 89,051

STATISTICAL SECTION

City of San Fernando
Description of Statistical Section Contents
June 30, 2023

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	120
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	130
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	139
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	144
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	148

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 47,859,172	\$ 45,956,739	\$ 44,313,624	\$ 41,001,890
Restricted	11,909,107	5,887,197	5,926,880	5,847,710
Unrestricted	(20,208,301)	(40,687,419)	(39,587,196)	(32,938,991)
Total governmental activities net position	<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	\$ 14,866,478	\$ 14,634,533	\$ 14,592,937	\$ 14,515,239
Restricted	-	-	-	-
Unrestricted	8,626,377	8,157,375	7,404,904	3,639,086
Total business-type activities net position	<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	\$ 62,725,650	\$ 60,591,272	\$ 58,906,561	\$ 55,517,129
Restricted	11,909,107	5,887,197	5,926,880	5,847,710
Unrestricted	(11,581,924)	(32,530,044)	(32,182,292)	(29,299,905)
Total primary government net position	<u>\$ 63,052,833</u>	<u>\$ 33,948,425</u>	<u>\$ 32,651,149</u>	<u>\$ 32,064,934</u>

Source: City Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 42,239,084	\$ 40,925,297	\$ 40,816,119	\$ 41,717,958	\$ 40,754,134	\$ 63,770,882
17,998,631	20,621,615	21,199,073	24,260,931	32,145,559	23,985,734
(66,465,286)	(68,665,049)	(69,620,653)	(68,432,940)	(74,913,031)	(83,360,235)
<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>	<u>\$ 4,396,381</u>
\$ 14,079,295	\$ 13,581,037	\$ 14,803,962	\$ 14,643,543	\$ 13,946,274	\$ 15,421,881
-	-	-	-	-	-
(3,091,126)	(2,373,104)	(2,089,865)	(410,665)	(3,395,964)	(5,425,294)
<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>	<u>\$ 9,996,587</u>
\$ 56,318,379	\$ 54,506,334	\$ 55,620,081	\$ 56,361,501	\$ 54,700,408	\$ 79,192,763
17,998,631	20,621,615	21,199,073	24,260,931	32,145,559	23,985,734
(69,556,412)	(71,038,153)	(71,710,518)	(68,843,605)	(78,308,995)	(88,785,529)
<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>	<u>\$ 14,392,968</u>

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

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

Source: City Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,003,034	\$ 7,604,642	\$ 6,695,845	\$ 8,331,758	\$ 11,508,546	\$ 8,535,396
13,046,118	13,844,371	15,706,963	12,449,356	20,651,820	23,133,497
1,275,585	1,357,983	1,448,244	1,791,458	3,047,990	1,450,838
4,966,748	5,085,991	4,587,387	5,856,079	2,872,863	6,732,859
1,735,878	1,819,230	1,912,396	1,965,303	2,134,123	3,039,015
128,661	88,665	86,044	100,653	417,763	817,025
26,156,024	29,800,882	30,436,879	30,494,607	40,633,105	43,708,630
3,389,704	4,154,617	4,151,358	4,354,894	6,855,816	7,102,186
4,458,457	3,703,978	2,860,657	3,011,816	5,312,532	2,602,834
42,825	80,355	136,837	95,615	164,488	496,035
5,898	3,227	3,284	5,961	3,403	10,000
7,896,884	7,942,177	7,152,136	7,468,286	12,336,239	10,211,055
34,052,908	37,743,059	37,589,015	37,962,893	52,969,344	53,919,685
595,511	882,306	940,109	836,190	110,542	743,378
1,243,148	1,196,184	1,185,587	958,218	1,036,628	1,081,023
400,844	525,102	575,485	492,207	498,787	643,162
423,286	462,055	415,899	489,028	490,496	448,638
445,635	439,805	282,675	131,349	268,658	357,301
3,032,809	2,777,539	2,851,522	3,927,950	6,089,498	9,205,604
1,910,721	1,154,463	1,059,134	5,194,218	7,390,400	16,944,785
8,051,954	7,437,454	7,310,411	12,029,160	15,885,009	29,423,891
4,411,292	4,426,813	4,656,746	4,993,300	5,234,121	5,228,074
3,435,103	3,449,801	3,643,176	4,025,086	3,866,293	4,088,886
68,467	117,355	187,994	140,910	133,450	450,965
16,994	6,416	278	114	6,467	-
7,931,856	8,000,385	8,488,194	9,159,410	9,240,331	9,767,925
15,983,810	15,437,839	15,798,605	21,188,570	25,125,340	39,191,816
(18,104,070)	(22,363,428)	(23,126,468)	(18,465,447)	(24,748,096)	(14,284,739)
34,972	58,208	1,336,058	1,691,124	(3,095,908)	(443,130)
(18,069,098)	(22,305,220)	(21,790,410)	(16,774,323)	(27,844,004)	(14,727,869)

(Continued)

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

	Fiscal Year			
	2014	2015	2016	2017
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property	\$ 8,406,309	\$ 7,871,457	\$ 8,739,138	\$ 8,867,169
Sales and use	4,175,825	5,313,426	6,437,739	7,911,392
Property taxes in lieu of sales and use taxes	963,741	1,022,777	962,590	-
Business license taxes	1,043,365	1,114,416	1,184,994	1,483,606
Franchise	409,176	613,793	636,652	636,457
Other taxes	374,933	315,247	334,419	350,636
Investment income	16,790	50,748	72,181	102,733
Gain on sale of property	-	1,033,066	-	-
Other	573,853	43,010	107,561	48,101
Transfers	4,265,286	187,688	181,000	180,000
Extraordinary gain	-	-	-	-
Total governmental activities	<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	10,458	17,287	64,545	30,788
Transfers	(719,708)	(187,688)	(181,000)	(180,000)
Total business-type activities	<u>(709,250)</u>	<u>(170,401)</u>	<u>(116,455)</u>	<u>(149,212)</u>
Total primary government	<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	4,868,920	(189,252)	(493,583)	(655,413)
Business-type activities	579,827	1,368,274	(803,693)	69,198
Total primary government	<u>\$ 5,448,747</u>	<u>\$ 1,179,022</u>	<u>\$ (1,297,276)</u>	<u>\$ (586,215)</u>

Source: City Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 8,970,624	\$ 9,741,048	\$ 9,730,128	\$ 10,725,774	\$ 10,196,178	\$ 12,655,839
7,984,731	8,207,979	8,773,312	10,186,845	11,912,920	12,036,191
-	-	-	-	-	-
1,629,779	1,601,969	1,658,301	1,554,102	1,669,084	1,814,949
663,381	693,474	710,629	741,355	775,995	933,936
371,835	396,279	367,170	341,780	453,278	356,816
122,016	564,893	591,883	7,759	(167,636)	(121,784)
-	-	-	-	-	-
192,512	87,220	323,826	239,242	187,967	264,899
162,407	180,000	180,000	180,000	161,023	220,008
-	-	-	-	-	-
20,097,285	21,472,862	22,335,249	23,976,857	25,188,809	28,160,854
39,486	341,556	350,106	7,657	(425,637)	109,415
(162,407)	(180,000)	(180,000)	(180,000)	(161,023)	(220,008)
(122,921)	161,556	170,106	(172,343)	(586,660)	(110,593)
19,974,364	21,634,418	22,505,355	23,804,514	24,602,149	28,050,261
1,993,215	(890,566)	(791,219)	5,511,410	440,713	13,876,115
(87,949)	219,764	1,506,164	1,518,781	(3,682,568)	(553,723)
\$ 1,905,266	\$ (670,802)	\$ 714,945	\$ 7,030,191	\$ (3,241,855)	\$ 13,322,392

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

	Fiscal Year			
	2014	2015	2016	2017
General fund:				
Nonspendable	\$ 739,783	\$ 371,547	\$ 329,717	\$ 66,703
Unassigned	(6,433,688)	(4,485,592)	(3,409,964)	(1,541,792)
Total general fund	<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	\$ 118,720	\$ -	\$ -	\$ 1,000
Restricted	11,840,461	12,970,716	16,579,665	17,727,008
Unassigned	(238,284)	(86,502)	(423,525)	(480,384)
Total all other governmental funds	<u>\$ 11,720,897</u>	<u>\$ 12,884,214</u>	<u>\$ 16,156,140</u>	<u>\$ 17,247,624</u>

Source: City Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 66,308	\$ 1,140	\$ 1,600	\$ 234,225	\$ 7,384	\$ 33,955
(274,561)	1,820,023	3,624,944	7,525,244	10,223,657	10,248,922
<u>\$ (208,253)</u>	<u>\$ 1,821,163</u>	<u>\$ 3,626,544</u>	<u>\$ 7,759,469</u>	<u>\$ 10,231,041</u>	<u>\$ 10,282,877</u>
\$ 1,896	\$ -	\$ -	\$ -	\$ -	\$ 895
18,388,470	20,565,668	21,199,073	24,249,648	29,075,891	23,944,021
(759,477)	(168,996)	(564,543)	(100,585)	(318,386)	(9,454,486)
<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>	<u>\$ 14,490,430</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Taxes	\$ 14,372,140	\$ 15,890,424	\$ 18,243,024	\$ 18,814,442
Licenses and permits	410,512	437,765	335,010	243,960
Charges for services	2,919,857	2,403,038	2,115,806	1,282,281
Fines and forfeitures	589,571	576,778	643,927	576,710
Investment earnings	232,404	231,535	240,049	268,368
Intergovernmental	4,615,312	4,636,669	3,641,035	4,543,228
Other	1,013,376	402,521	423,599	383,686
Total revenues	<u>24,153,172</u>	<u>24,578,730</u>	<u>25,642,450</u>	<u>26,112,675</u>
Expenditures				
Current:				
General government	2,398,576	2,902,267	5,915,423	4,575,208
Public safety	9,811,572	10,473,341	10,988,468	10,976,722
Community development	775,446	779,446	1,021,757	1,093,430
Public works	4,248,932	4,675,026	3,284,258	2,890,550
Parks and recreation	1,693,085	1,649,985	1,774,799	1,730,136
Capital outlay	464,855	239,126	1,291,817	2,017,716
Debt service:				
Principal	384,000	1,572,692	-	65,000
Interest and fiscal charges	<u>58,565</u>	<u>170,118</u>	<u>27,559</u>	<u>147,271</u>
Total expenditures	<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>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	11,677,345	1,520,854	628,658	424,262
Transfers out	(7,412,059)	(1,927,472)	(577,658)	(344,262)
Issuance of debt	-	-	2,785,000	-
Discount	-	-	131,355	-
Sale of property	<u>-</u>	<u>1,033,066</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,265,286</u>	<u>626,448</u>	<u>2,967,355</u>	<u>80,000</u>
Net change in fund balances	<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	2.1%	9.0%	0.1%	0.9%

Source: City Finance Department

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 19,667,257	\$ 18,814,442	\$ 20,275,158	\$ 23,389,661	\$ 25,511,611	\$ 28,085,804
279,620	243,960	427,751	326,352	307,168	477,454
1,238,793	1,282,281	1,091,558	804,704	1,704,485	1,065,063
436,941	576,710	601,491	507,441	436,977	423,285
312,908	268,368	1,156,718	652,506	(1,003,052)	621,498
5,511,368	4,543,228	4,778,327	9,724,347	13,828,362	18,461,268
526,313	383,686	553,673	492,219	186,920	265,104
<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>	<u>49,399,476</u>
5,085,790	4,575,208	5,754,393	6,088,117	38,525,520	5,184,899
11,746,344	10,976,722	12,861,226	12,462,556	13,761,519	15,250,518
1,056,819	1,093,430	1,269,661	1,395,892	1,152,739	1,503,550
2,849,581	2,890,550	2,847,769	2,870,545	3,140,952	4,210,011
1,604,650	1,730,136	1,854,561	1,552,613	2,198,823	3,381,727
3,755,234	2,017,716	1,963,289	4,444,583	4,379,872	23,132,102
80,000	65,000	85,000	604,174	1,819,761	1,624,254
134,681	147,271	92,038	89,481	427,290	832,933
<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>	<u>55,119,994</u>
<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>	<u>(5,720,518)</u>
469,234	424,262	583,805	470,000	2,859,602	3,573,194
(479,234)	(344,262)	(697,305)	(350,000)	(3,125,583)	(3,508,194)
-	-	-	1,498,189	31,780,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(10,000)</u>	<u>80,000</u>	<u>(113,500)</u>	<u>1,618,189</u>	<u>31,514,019</u>	<u>65,000</u>
<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>	<u>\$ (5,655,518)</u>
1.0%	0.9%	0.8%	2.8%	3.8%	8.3%

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

Fiscal Year Ended June 30	Residential	Commercial	Industrial	Other	Unsecured	Unknown	Taxable Assessed Value	Direct Tax Rate
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	0.30870%
2023	1,382,246,065	420,482,447	403,488,602	70,144,463	118,828,851		2,395,190,428	0.34683%

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

City of San Fernando
Direct and Overlapping Property Tax Rates
(Rate Per \$100 of Taxable Value)
Last Ten Fiscal Years

Agency	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
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	0.04454	0.04017	0.03575	0.03596	0.04599	0.04621	0.02717	0.04016	0.04376	0.02488
LA Unified School District	0.14644	0.14688	0.12971	0.13110	0.12219	0.12323	0.12552	0.13993	0.11323	0.12107
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	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357	0.16997	0.19033
Direct and Overlapping Tax Rates ²	1.45102	1.43887	1.41659	1.40303	1.40406	1.40028	1.36832	1.38716	1.33046	1.33978
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	0.25654	0.24832	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357	0.16997	0.19033
Redevelopment Rate ⁴	-	-	-	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.39186	0.38353	0.38306	0.36884	0.36854	0.36433	0.34975	0.34140	0.30870	0.34683

Notes:

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

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

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

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

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

City of San Fernando
Principal Property Tax Payers
Top Ten Property Owners Based On Net Values
Current and Ten Years Ago

2022/23			2013/14		
Taxpayer	Net Assessed Value	Percent of City's Total Net Assessed Value	Taxpayer	Net Assessed Value	Percent of City's Total Net Assessed Value
Pharmavite LLC	\$ 35,468,926	1.48%	CPF San Fernando LLC	\$ 72,156,724	4.63%
Rexford Industrial 1145 Arroyo LLC	31,390,082	1.31%	Pharmavite LLC	57,684,760	3.70%
Rexford Industrial 1150 Aviation LLC	31,213,693	1.30%	SFVS Company LLC	20,861,942	1.34%
Rexford Industrial 1245 Aviation LLC	27,388,981	1.14%	Foothill HD Retail Center LLC	19,602,028	1.26%
315 Partners LLC Lessor	25,709,241	1.07%	Ahi Glenoaks Inc.	15,933,378	1.02%
GC San Fernando LLC	25,008,685	1.04%	San Fernando Gateway LLC	14,762,425	0.95%
Foothill HD Retail Center LLC	22,746,245	0.95%	315 Partners LLC	14,086,011	0.90%
Rexford Industrial 1175 Aviation LLC	18,757,017	0.78%	San Fernando Associates	10,471,745	0.67%
Ahi Glenoaks Inc	18,489,131	0.77%	San Fernando Community Housing L	8,999,228	0.58%
San Fernando Gateway LLC	17,130,350	0.72%	San Fernando Valley Automotive LL	8,848,522	0.57%
Total Top Ten	<u>\$ 253,302,351</u>	<u>10.58%</u>	Total Top Ten	<u>\$ 243,406,763</u>	<u>15.60%</u>
Total Property Taxes	<u>\$ 2,395,190,428</u>		Total Property Taxes	<u>\$ 1,559,841,135</u>	

Data Source: Los Angeles County Assessor 2013/14 and 2022/23 Combined Tax Rolls and the SBE Non Unitary Tax Roll provided by HdL, Coren and Cone.

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	*Collected within the Fiscal Year of Levy		*Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2023	8,307,310	9,431,853	113.54%	(73,932)	9,357,921	112.65%

Notes:

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

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

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

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

For Fiscal Year 2022-23

<u>Business Name</u>	<u>Business Category</u>
Arco	Service Stations
Arroyo Building Materials	Building Materials
Casco	Contractors
CCAP Auto Lease	Auto Lease
Chipotle	Fast Casual Restaurants
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
McDonalds	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Pool & Electrical Products	Plumbing/Electrical Supplies
Rydel Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Smart & Final	Grocery Stores
T Mobile	Electronics/Appliance Stores
Taco Bell	Quick Service Restaurants
TMB Prodction Supplies & Services	Electrical Equipment
Truman Fuel	Service Stations
Vallarta Supermarket	Grocery Stores
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 66.93%

* Firms Listed Alphabetically

Period: July 2022 Thru June 2023

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

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

For Fiscal Year 2013-14

<u>Business Name</u>	<u>Business Category</u>
Acey Decy Lighting	Repair Shop/Equip. Rentals
Arco	Service Stations
Arroyo Building Materials	Building Materials
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
Pool & Electrical Products	Plumbing/Electrical Supplies
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Sams Club	Discount Department Stores
Southland Lighting	Plumbing/Electrical Supplies
T Mobile	Electronics/Appliance Stores
TMB Production Supplies & Services	Electrical Equipment
Truman 76	Service Stations
Vallarta Supermarket	Grocery Stores
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 70.98%

* Firms Listed Alphabetically

Period: July 2013 Thru June 2014

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Apparel Stores	\$ 9,453	\$ 9,430	\$ 10,410	\$ 11,449	\$ 11,799
Food Stores	15,747	13,755	14,084	15,033	15,638
Eating and Drinking Places	52,942	54,660	61,175	66,313	72,031
Building Materials	86,283	90,292	96,112	102,799	114,471
Auto Dealers and Supplies	47,098	83,207	89,543	105,405	102,604
Service Stations	17,864	16,736	15,301	13,545	12,927
Other Retail Stores	55,934	57,238	63,804	64,745	64,723
All Other Outlets	87,492	94,765	111,902	123,989	126,499
	<hr/>				
Total	\$ 372,813	\$ 420,083	\$ 462,331	\$ 503,278	\$ 520,692
	<hr/>				

Notes:

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

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Apparel Stores	\$ 12,361	\$ 12,393	\$ 11,244	\$ 15,098	\$ 15,743
Food Stores	16,028	16,168	16,725	16,881	17,652
Eating and Drinking Places	75,973	79,178	73,790	86,124	91,012
Building Materials	121,603	124,136	128,863	143,209	145,483
Auto Dealers and Supplies	109,902	127,894	139,414	167,705	161,623
Service Stations	14,988	14,421	9,974	19,911	25,544
Other Retail Stores	39,534	34,860	36,976	42,380	42,174
All Other Outlets	144,155	154,162	193,892	198,055	213,428
	<hr/>				
Total	\$ 534,544	\$ 563,212	\$ 610,878	\$ 689,363	\$ 712,659
	<hr/>				

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

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

Water Customer	2023		Water Customer	2014	
	Water Charges	Percent of Total Water Revenues		Water Charges	Percent of Total Water Revenues
Pharmavite Corporation	\$ 70,148	1.42%	Pharmavite Corporation	\$ 42,748	1.25%
Pharmavite Corporation	32,656	0.66%	Pharmavite Corporaton	26,525	0.78%
Soo Bin IM	31,726	0.64%	Mission Park Apartment	20,491	0.60%
LA Board of Education	26,094	0.53%	MRCA	17,757	0.52%
LA Board of Education	25,929	0.53%	Bitman, Boris Bruce	16,961	0.50%
MSN Holdings	25,687	0.52%	LA Board of Education	16,582	0.49%
San Fernando City	20,436	0.41%	Martin & Denise Rile	16,581	0.49%
County of Los Angeles	20,190	0.41%	Wang, Pearl	13,078	0.38%
Puretek Corp.	19,619	0.40%	Fresenius Medical CA	12,365	0.36%
LA Board of Education	<u>19,028</u>	<u>0.39%</u>	Puretek Corp.	<u>12,300</u>	<u>0.36%</u>
Total Top Ten	\$ 291,514	5.92%	Total Top Ten	\$ 195,389	5.72%
Total Water Revenue	<u>\$ 4,924,562</u>		Total Water Revenue	<u>\$ 3,418,324</u>	

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

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

Fiscal Year Ended June 30	Governmental Activites	Business-Type Activites		Total	Percentage of Personal Income	Per Capita
	Certificates of Participation	Loans	2020 Installment Sale Agreement			
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	1,100,000	4,148,532	0.69%	175
2023	2,281,378	666,443	970,000	3,917,821	0.66%	165

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Personal income and Population numbers from

<https://www.census.gov/quickfacts/fact/table/sanfernandocitycalifornia,US/PST045221> visited 12/13/2022.

Date Source: City of San Fernando Finance Department.

City of San Fernando Direct and Overlapping Debt

2022-23 Assessed Valuation: \$2,176,500,330

	Total Debt <u>6/30/2023</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/23</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT :</u>			
Metropolitan Water District	\$19,215,000	0.066%	\$12,682
Los Angeles Community College District	4,500,730,000	0.223	10,036,628
Los Angeles Unified School District	10,704,725,000	0.273	29,223,899
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			39,273,209
Less: Los Angeles Unified School District economically defeased general obligation bonds			<u>614,959</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$38,658,250
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT :</u>			
Los Angeles County General Fund Obligations	\$2,601,551,282	0.126%	\$3,277,955
Los Angeles County Superintendent of Schools Certificates of Participatio	3,403,487	0.126	4,288
Los Angeles Unified School District General Fund Obligations	97,870,000	0.273	267,185
City of San Fernando General Fund Obligations	33,920,000	100	<u>33,920,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$37,469,428
TOTAL DIRECT DEBT			\$33,920,000
TOTAL GROSS OVERLAPPING DEBT			\$42,822,637
TOTAL NET OVERLAPPING DEBT			\$42,207,678
GROSS COMBINED TOTAL DEBT			\$76,742,637 (2)
NET COMBINED TOTAL DEBT			\$76,127,678

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, sales tax revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Direct Debt (\$33,920,000)	1.56%
Total Gross Overlapping Tax and Assessment Debt	1.80%
Total Net Overlapping Tax and Assessment Debt	1.78%
Gross Combined Total Debt	3.53%
Net Combined Total Debt	3.50%

THIS PAGE INTENTIONALLY LEFT BLANK

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

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

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

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

Fiscal Year	2019	2020	2021	2022	2023
Assessed Valuation	1,942,294,308	2,045,544,796	2,176,500,330	2,253,723,303	2,395,190,428
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	485,573,577	511,386,199	544,125,083	563,430,825.75	598,797,607.00
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	72,836,037	76,707,930	81,618,762	84,514,624	89,819,641
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>72,836,037</u>	<u>76,707,930</u>	<u>81,618,762</u>	<u>84,514,624</u>	<u>89,819,641</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Data Source: Los Angeles County Assessor 0 - 2022/23 Combined Tax Rolls, provided by HdL, Coren and Cone and City Finance Department

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

<u>Calendar Year</u>	<u>Population ¹</u>	<u>Calif. Metropolitan Personal Income (in thousands)¹</u>	<u>Calif. Metropolitan Per Capita Personal Income¹</u>	<u>Unemployment Rate²</u>
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%
2023	23,685	597,833,000	25,241	4.0%

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 Statics

Date Incorporated August 31, 1911

Form of Government Council-City Manager

Land Area 2.42 square miles

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

Building Permits	<u>Calendar Year</u>	<u># Permits</u>	<u>Valuation</u>
	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

Date Source: City of San Fernando Community Development Department

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

2022-23			2013-14		
<u>Business Name</u>	Number of Employees	Percent of Total Employment	<u>Business Name</u>	Number of Employees	Percent of Total Employment
Los Angeles Unified School District	2,140	18.45%	Los Angeles Unified School District	1979	18.50%
Pharmavite LLC	366	3.16%	Pepsi Beverages Company	284	2.65%
Pepsi Beverages Company	340	2.93%	The Home Depot*	237	2.21%
The Home Depot*	300	2.59%	Los Angeles County Superior Court*	277	2.59%
Los Angeles County Superior Court *	240	2.07%	Puretek Corporation	170	1.59%
Puretek Corporation	157	1.35%	Vallarta Supermarkets	164	1.53%
Northeast Valley Health Group	152	1.31%	Ricon Corp	145	1.36%
Production Resource Group LLC (PRG)	144	1.24%	Sams Club	175	1.64%
Vallarta Supermarkets	137	1.18%	Valley Crest Landscape Co.	119	1.11%
City of San Fernando	134	1.16%	7 Up RC Bottling	104	0.97%
Total Top Ten Employers	<u>4,110</u>	<u>35.43%</u>	Total Top Ten Employers	<u>3,654</u>	<u>34.15%</u>
Total City Labor Force ⁽¹⁾	<u>11,600</u>		Total City Labor Force	<u>10,700</u>	

Notes:

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

* Business has not responded to Avenu's inquires, prior year count applied.

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

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

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	14	14	15	15	15	15	15	15	16	18
Community Development	8	8	8	8	8	8	8	8	7	9
Public Safety	48	48	47	48	48	49	49	49	54	55
Public Works	35	34	34	34	34	34	36	35	32	37
Recreation and Community Services	30	32	24	24	24	24	24	24	24	26
<hr/>										
Total	<u>135</u>	<u>136</u>	<u>128</u>	<u>129</u>	<u>129</u>	<u>130</u>	<u>132</u>	<u>132</u>	<u>133</u>	<u>145</u>

City of San Fernando
Operating Indicators by Function
Last Ten Years

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

City of San Fernando
Operating Indicators by Function
Last Ten Years

Function	Calendar Year			
	2019	2020	2021	2022
Police:				
Arrests	833	903	991	740
Parking Citations Issued	12,471	9,683	9,198	5,803

Data Source: City of San Fernando Police Department

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

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

Data Source: City of San Fernando Public Works Department

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

Function	Fiscal Year				
	2019	2020	2021	2022	2023
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	1.68

Data Source: City of San Fernando Public Works Department