

CITY OF SAN FERNANDO
RECREATION PARK
208 PARK AVE

FOR THE FISCAL YEAR
ENDED JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT



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, 2025

Prepared By:
Finance Department

City of San Fernando
Annual Comprehensive Financial Report
Year Ended June 30, 2025

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Year Ended June 30, 2025

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INTRODUCTORY SECTION

THE CITY OF SAN FERNANDO

CITY COUNCIL

March 30, 2026

MAYOR
JOEL FAJARDO

Honorable Mayor and City Council Members
Residents of San Fernando

VICE MAYOR
VICTORIA GARCIA

COUNCILMEMBER
MARY MENDOZA

The Annual Comprehensive Financial Report (ACFR) of the City of San Fernando, California for the fiscal year ended June 30, 2025, 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.

COUNCILMEMBER
MARY SOLORIO

COUNCILMEMBER
PATTY LÓPEZ

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 has 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

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TREASURER DIVISION
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WATER DIVISION
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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, 2025, 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, 2025, 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 23,364, 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.

History of San Fernando

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

San Fernando enjoyed a brief gold rush in the 1840s when nuggets were discovered in a nearby canyon. In 1874, San Fernando became the valley's first organized community,

thus earning the title “First City of the Valley.” With the arrival of the railroad two years later, town lots soared from \$10 each to \$150 apiece.

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

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific economic environment within which the City of San Fernando operates.

Federal and State Impact

In early 2025, the U.S. economy entered a period of slowing growth following a relatively stable performance in 2024. National economic conditions were influenced by new federal trade and immigration policies, which contributed to increased uncertainty and a deceleration in economic activity. Forecasts for 2025 indicate rising unemployment, higher inflation, and slower GDP growth compared to the prior year. The Congressional Budget Office also reported that newly implemented tariffs and administrative actions contributed to a contraction of 0.3% in real GDP during the first quarter of 2025, reflecting the impact of shifting federal policies on trade flows and overall economic momentum.

Despite these headwinds, some indicators showed resilience. Consumer spending and domestic investment continued to support growth through mid-2025, with GDP rising 3.3% in the second quarter and tracking near 3.0% in the third quarter, according to private-sector forecasts. However, the overall national outlook remained cautious due to fiscal instability, labor market disruptions, and geopolitical uncertainty.

California’s economic conditions in 2025 were more challenging than those of the nation. The state experienced a mild economic contraction, with job losses and stagnation in key industries—including technology, logistics, and entertainment—contributing to an unemployment rate more than a full percentage point above the national average. The UCLA Anderson Forecast described the state’s economic picture as “sobering,” noting that sectors traditionally driving California’s growth were either slowing or contracting.

The State of California also continued to face significant fiscal pressures. Following record surpluses earlier in the decade, the state’s budget outlook deteriorated sharply due to lower-than-expected revenues and broader economic softening. To manage ongoing budget challenges, the state implemented targeted spending reductions and delays, seeking to stabilize finances without drawing on reserve funds.

Local Business Economy

Many of the City of San Fernando's large employers are essential manufacturing and service business such as LAUSD, Lehman Foods, Pepsi, Pharmavite, Home Depot, LA County Superior Court, Northeast Valley Health Group, Country Manor Healthcare and Vallarta. Conversely, small businesses, which are the lifeblood of the City's unique character and charm, help to round out the City's 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 continued to expand with over fifty (50) businesses added to the community. Additional highlights accomplished by the City over the year to make the local economy continue long-term resiliency include:

- Expanded Business & Community Resource Center (BCRC) services focusing on developing and implementing economic development programs, supporting local businesses to facilitate a business-friendly environment, and leading business recruitment and retention efforts. Services include free site selection assistance to new and existing businesses in the City; one-on-one assistance to navigate through the City's permitting, entitlement and development process; contacts and resources to a variety of federal, state, and local programs and incentives; and free market analysis and demographic information to assist with the decision-making process for businesses looking to locate or expand in San Fernando;
- Small business assistance services provided through partnership with Initiating Change in Our Neighborhoods Community Development Corporation (ICON CDC);
- Small Business Assistance Program Grants provided to nineteen (19) local businesses to local business owners and property owners to revitalize commercial corridors and to retain and attract new businesses; and
- Grand openings of several local businesses, including American Fruits & Flavors, HMG Community Clinic, La Bella Pizza, Bonita LA Hair Salon, Majestic Hair Salon, Mission Mortgage Company, The Grill Stories, and Senders.

Population, Housing, and Unemployment

Similar to the State, the City of San Fernando has experienced declining population over the past five years. In 2025, the City's population was 23,488, a 5.8% decrease from the 2016 population of 24,931. The State's ongoing housing affordability, business and job migration, and environmental challenges continue to drive residents and companies toward more affordable and business-friendly states.

San Fernando's median single-family home sale price in 2025 was \$700,000, compared to \$701,000 in 2024, reflecting a slight decrease of 0.1%. Although the decline is modest, the City is experiencing similar trends as the broader Southern California region, where higher mortgage rates continue to pressure the housing market by reducing affordability and slowing demand. As a counter-strategy to the market trends, the City has continued its

strategic priority of preserving beautiful homes and neighborhoods, including promoting home ownership and first time homeowner programs, particularly programs that provide home ownership opportunities for current San Fernando residents/renters; and exploring 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.

The City paralleled State trends, as it was greatly impacted by federal policies with unemployment increasing to 5.5% compared to 5.0% in the year prior. Contributing factors include immigration policies, tariffs, along with statewide high cost of living, and a minimum wage hike to \$20 for fast-food workers, leading some businesses to relocate or reduce their workforce.

MAJOR INITIATIVES

The City has a two-year Capital Improvement Program (CIP). Over the 2024-2025 fiscal year, major capital projects completed included the following:

- In October 2024, Phase III of the City’s Annual Street Resurfacing Project was finalized. This phase consisted of roadways that were moderately-to-significantly deteriorated with cracks and potholes, so a more robust three-step slurry seal process was performed. These are streets that typically require an overlay treatment, which involves cold milling existing asphalt and placement of new asphalt. The three-step process involved multiple layers of asphalt slurry that help to fill, level, and create a more acceptable travel surface to the road at a significant reduction in price, when compared to traditional overlays. In addition, a couple of road segments underwent crack-sealing and micro-surfacing treatment, which consisted of a pavement seal layer to preserve and extend roadway life.
- The City Civic Center Beautification Project provided the City an opportunity to refresh the exterior appearance of City Hall, Police Department and Public Works Building. The Beautification Project, completed in January 2025, included repainting building exteriors, conducting minor wall repairs, pressure washing block walls, and applying wood stain to wood surfaces.
- The Pioneer Park Playground Renovation Project was completed in February 2025, revitalizing existing playground area, making it a safer, more engaging, and inclusive space for the community. The design focused on creating a multifunctional and aesthetically pleasing environment that encouraged physical activity, imaginative play and social interaction. Key features of the renovation included age-appropriate equipment, inclusive play structures, musical elements, and shade coverage.
- During the Spring of 2025, the City staff coordinated with the Los Angeles County Public Works Department (LACPWD) to complete striping and pavement markings throughout the City as part of the City’s Citywide Street Striping project. The work involved restriping crosswalks, stop bars and pavement legends (i.e., STOP, Railroad Crossing) and restrictive curbing (red, yellow, green, blue and

white). The City requested additional work from the County including the painting curb marking, additional crosswalk improvements, and signage upgrades (Glenoaks Blvd., Brand Blvd., Fifth St. and Celis St.).

- The City also completed its Urban Forest Management Plan (UFMP) in 2025, a comprehensive blueprint for the sustainable care and stewardship of trees within the City. The plan encompasses a range of strategies aimed at preserving, enhancing, and effectively managing the City's urban forest ecosystem. The City Council additionally approved a "Comprehensive Tree Preservation Policy" to formalize the tree removal process for all City-owned trees. This policy aligns with the UFMP's recommendations to establish standard operating procedures and defined criteria for removal, notifications, and appeals.

FINANCIAL INFORMATION

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

Long-term Financial Planning

The City maintains a General Fund Financial Forecast that looks forward at least five fiscal years into the future. The City considers immediate proactive measures when deficits between recurring revenues and recurring expenditures exist, even in outer years. The Forecast shall be updated at least bi-annually, as part of the mid-year budget review and annual budget process.

The City's 5-year General Fund forecast shows a structurally balanced budget (where revenues are more than expenditures) while also meeting General Fund Reserve requirement for Contingency Funds. The Contingency Funds shall have a target balance 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.

Credit Rating

In August 2024, City Staff met with Standard and Poor's (S&P) Global Ratings to review the City's credit rating. The outcome of this meeting resulted in the S&P raising the City's long-term and underlying rating from 'A+' to 'AA-' on the outstanding pension obligation bonds (POBs). A strong bond rating reflects the city's financial health and management practices. It indicates that the city is capable of meeting its financial obligations, which fosters trust among investors and stakeholders. The upgrade reflects S&P's view that the

City will continue to demonstrate positive financial performance, fiscal stability and better creditworthiness.

S&P noted a stable outlook that reflects its expectation that the City will maintain a very strong financial position over the outlook period, anchored by the City's strong management profile.

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, 2025. This was the 41st consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for the 2025 certification.

Acknowledgments

The timely preparation of the Annual Comprehensive Financial Report was made possible through the dedicated efforts of the Finance Division staff, with significant leadership and support from Senior Accountant Sonia Garcia. This report could not have been completed without their commitment, nor without the professional assistance of the audit firm Van Lant & Fankhanel, LLP. I extend my sincere appreciation to each member of the City staff for their contributions to this process. I would also like to thank the members of the current City Council for their continued interest in and commitment to conducting the City's financial operations responsibly and prudently, and for setting a course for the City that is both progressive and positive.

Respectfully Submitted,

Erica D. Melton
Director of Administrative Services



THE CITY OF
SAN FERNANDO

DIRECTORY OF OFFICIALS

FISCAL YEAR 2024-2025

ELECTED OFFICIALS

CITY COUNCIL

MAYOR

MARY MENDOZA

VICE MAYOR

MARY SOLORIO

COUNCILMEMBERS

JOEL FAJARDO

VICTORIA GARCIA

PATTY LOPEZ

EXECUTIVE MANAGEMENT

CITY MANAGER

NICK KIMBALL

DEPUTY CITY MANAGER/ECONOMIC DEVELOPMENT

KANIKA KITH

CHIEF OF POLICE

FABIAN VALDEZ

CITY CLERK

JULIA FRITZ

DIRECTOR OF ADMINISTRATIVE SERVICES/
CITY TREASURER

ERICA D. MELTON

DIRECTOR OF COMMUNITY DEVELOPMENT

ERIKA RAMIREZ

DIRECTOR OF PUBLIC WORKS

WENDELL E. JOHNSON

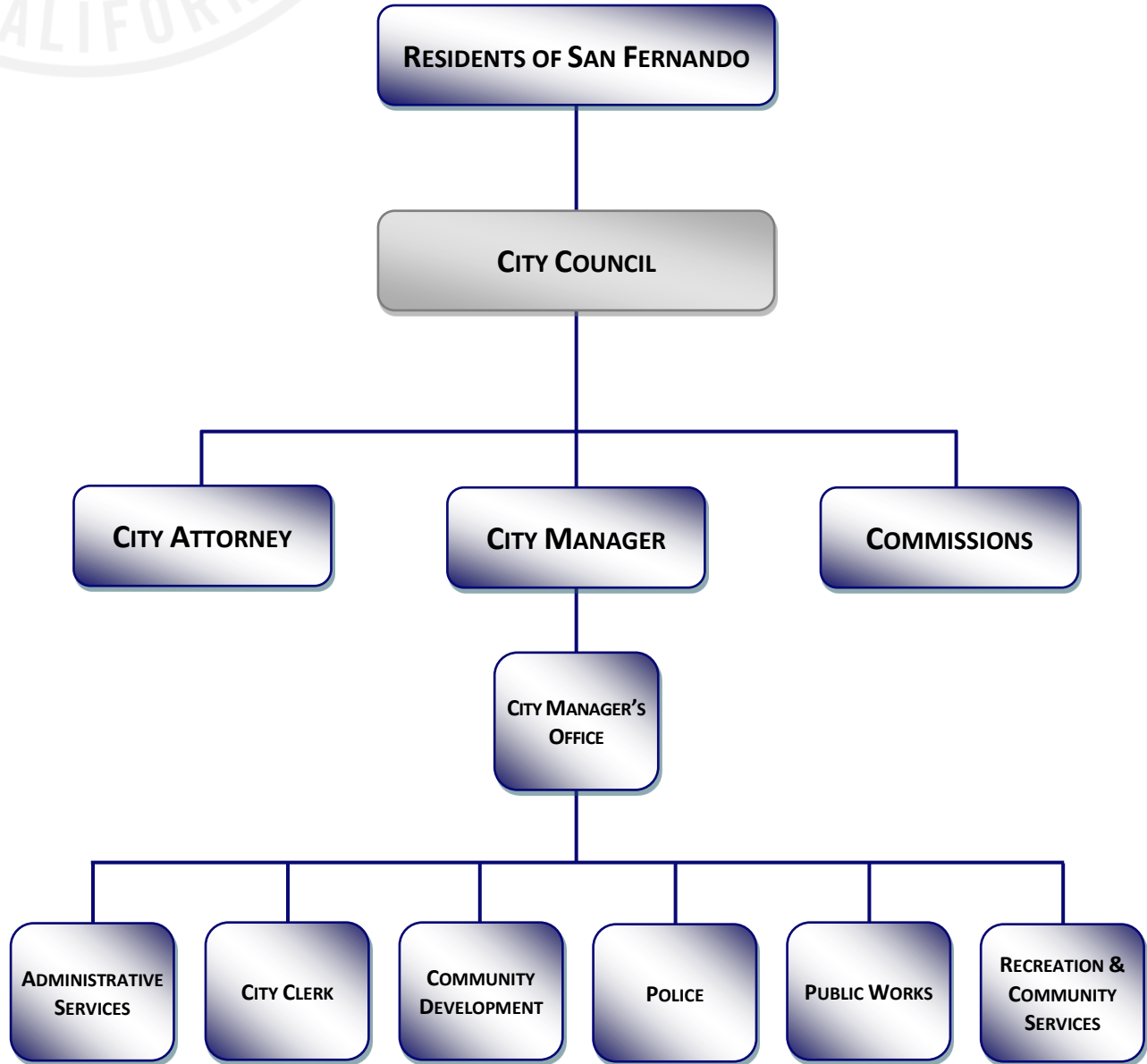
DIRECTOR OF RECREATION AND
COMMUNITY SERVICES

JULIO SALCEDO

THE CITY OF
SAN FERNANDO

ORGANIZATIONAL CHART

FISCAL YEAR 2024-2025



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, 2024

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, 2025, 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, 2025, 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

Van Lant & Fankhanel, LLP

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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 March 30, 2026, 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 & Fankhanel, LLP". The signature is written in a cursive style.

March 30, 2026

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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, 2025. 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 page 1, and the City's financial statements beginning on page 29.

FINANCIAL HIGHLIGHTS

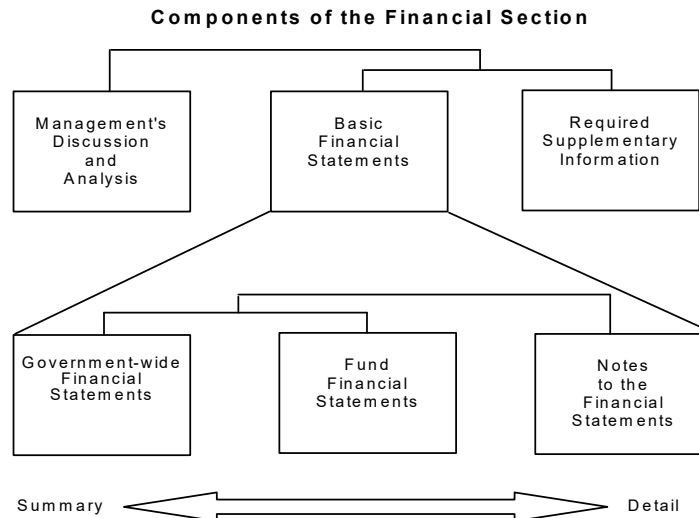
The following are some key financial highlights for the fiscal year ending June 30, 2025:

- ↑ The City's total net position increased from \$26,877,959 as of June 30, 2024 to \$35,084,846 as of June 30, 2025 for a total increase of \$8,206,887 or 30.53%. Additional information on the increase in net position is discussed in more detail in the Government-wide Financial Analysis beginning on page 17.
- ↑ The City's total unrestricted net position improved from (\$84,835,593) at June 30, 2024 to (\$76,712,312) at June 30, 2025 for a total change of \$8,123,281, or 9.58%.
- ↓ The City's total fund balances for governmental funds decreased from \$27,126,108 as of June 30, 2024 to \$26,604,615 as of June 30, 2025 for a total decrease of \$521,493 or 1.92%.
- ↑ The total fund balance for the General Fund increased from \$10,988,667 as of June 30, 2024 to \$ 12,146,901 as of June 30, 2025 for a total increase of \$1,158,234 or 10.54%. Fund balance is classified per GASB Statement No. 54 as Nonspendable: \$49,965 and Unassigned: \$12,096,936. 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, declined from \$16,137,441 as of June 30, 2024 to \$14,457,714 as of June 30, 2025 for a total decrease of \$1,679,727, or 10.41%.

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 29 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. Non-major 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 "Non-major" governmental funds are consolidated into a single column labeled "Other Governmental

Fund Financial Statements (cont.)

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City’s near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 37 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, ARPA Fund, and Operating and Capital Grants Funds. Data from the other 32 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 36 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 41 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 70 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 80 of this report.

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 2024-2025, the City's net position increased from \$26,877,959 as of June 30, 2024 to \$35,084,846 as of June 30, 2025 for a total increase of \$8,206,887 or 30.53%.

Total assets increased by \$1,871,241 or 1.23% due primarily to increased Cash & Investments and Capital Assets. Increases are attributable to increases in taxes and charges for services, especially within business-type activities due to water and sewer rate increases coupled with enhanced service collections. Capital assets also improved with increased focus on capital project completion, which concurrently led to significant enhancements in value to City-wide capital assets.

Total liabilities decreased during the fiscal year by \$8,357,306 or 7.11% from the prior year due to decreases in accounts payables along with declines in the City's long-term liabilities. Long-term liabilities are detailed in 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, \$89,254,278 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, \$22,542,880, 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, 2025, 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 \$76,712,312. 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, 2025**

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, 2025, with comparative totals for the fiscal year ended June 30, 2024.

Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 52,619,451	\$ 52,397,197	\$ 8,894,562	\$ 8,211,055	\$ 61,514,013	\$ 60,608,252
Capital assets	70,281,443	68,830,377	22,023,549	22,509,135	92,304,992	91,339,512
Total assets	122,900,894	121,227,574	30,918,111	30,720,190	153,819,005	151,947,764
Deferred Outflows of Resources:	16,408,475	26,171,465	2,615,540	4,200,988	19,024,015	30,372,453
Liabilities:						
Current and other liabilities	16,297,392	16,784,546	1,094,178	2,415,448	17,391,570	19,199,994
Long-term liabilities	80,131,936	85,695,171	11,618,232	12,603,879	91,750,168	98,299,050
Total liabilities	96,429,328	102,479,717	12,712,410	15,019,327	109,141,738	117,499,044
Deferred Inflows of Resources:	25,211,228	33,094,613	3,405,208	4,848,601	28,616,436	37,943,214
Net position:						
Net Investment in Capital Assets	67,935,729	66,239,108	21,318,549	21,669,135	89,254,278	87,908,243
Nonspendable	-	-	-	-	-	-
Restricted	22,542,880	23,805,309	-	-	22,542,880	23,805,309
Unrestricted	(72,809,796)	(78,219,708)	(3,902,516)	(6,615,885)	(76,712,312)	(84,835,593)
Total net position	\$ 17,668,813	\$ 11,824,709	\$ 17,416,033	\$ 15,053,250	\$ 35,084,846	\$ 26,877,959

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 is better at June 30, 2025 in relation to a year earlier.

The City's total net position increased from \$26,877,959 as of June 30, 2024 to \$35,084,846 as of June 30, 2025 for a total increase of \$8,206,887 or 30.53%. Key elements of this increase are as follows:

- ❖ Net position of governmental activities increased from \$11,824,709 as of June 30, 2024 to \$17,668,813 as of June 30, 2025, a total increase of \$5,844,104. The 49.42% change is primarily attributable to transfers out from capital grants which impacted prior year balances.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Government-wide Financial Analysis (cont.)

- ❖ Net position of business-type activities increased from \$15,053,250 as of June 30, 2024 to \$17,416,033 as of June 30, 2025; a total increase of \$2,362,783 or 17.92%.

The following table summarizes the Statement of Activities for Governmental Activities and Business-Type Activities for the fiscal year ended June 30, 2025, with comparative totals for the fiscal year ended June 30, 2024.

City of San Fernando						
Government-wide Financial Statements						
Summary of Activities						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 3,462,754	\$ 3,279,965	\$ 10,794,130	\$ 9,925,863	\$ 14,256,884	\$ 13,205,828
Operating grants and contributions	5,082,354	4,643,622	-	-	5,082,354	4,643,622
Capital grants and contributions	4,603,455	12,914,213	-	-	4,603,455	12,914,213
General revenues						
Taxes	28,098,318	27,290,431	-	-	28,098,318	27,290,431
Investment loss and other	1,475,066	1,442,971	348,349	433,816	1,823,415	1,876,787
Total revenue	42,721,947	49,571,202	11,142,479	10,359,679	53,864,426	59,930,881
Expenses						
General government	5,561,214	5,837,718	-	-	5,561,214	5,837,718
Public safety	16,417,623	14,678,258	-	-	16,417,623	14,678,258
Community development	3,068,997	2,227,822	-	-	3,068,997	2,227,822
Public works	7,685,867	9,023,389	-	-	7,685,867	9,023,389
Parks and recreation	2,977,410	4,077,044	-	-	2,977,410	4,077,044
Capital Outlay	-	-	-	-	-	-
Interest and fiscal charges	1,140,190	804,452	-	-	1,140,190	804,452
Water operations	-	-	5,004,840	6,539,570	5,004,840	6,539,570
Sewer operations	-	-	3,614,283	3,960,650	3,614,283	3,960,650
CNG operations	-	-	185,891	289,015	185,891	289,015
Refuse operations	-	-	1,224	7,972	1,224	7,972
Total expenses	36,851,301	36,648,683	8,806,238	10,797,207	45,657,539	47,445,890
Excess or (Deficiency) before transfers	5,870,646	12,922,519	2,336,241	(437,528)	8,206,887	12,484,991
Transfers In (Out)	(26,542)	(3,728,248)	26,542	3,728,248	-	-
Change in Net Position	5,844,104	9,194,271	2,362,783	3,290,720	8,206,887	12,484,991
Net position – beginning	11,824,709	2,630,438	15,053,250	11,762,530	26,877,959	14,392,968
Net position – ending	\$ 17,668,813	\$ 11,824,709	\$ 17,416,033	\$ 15,053,250	\$ 35,084,846	\$ 26,877,959

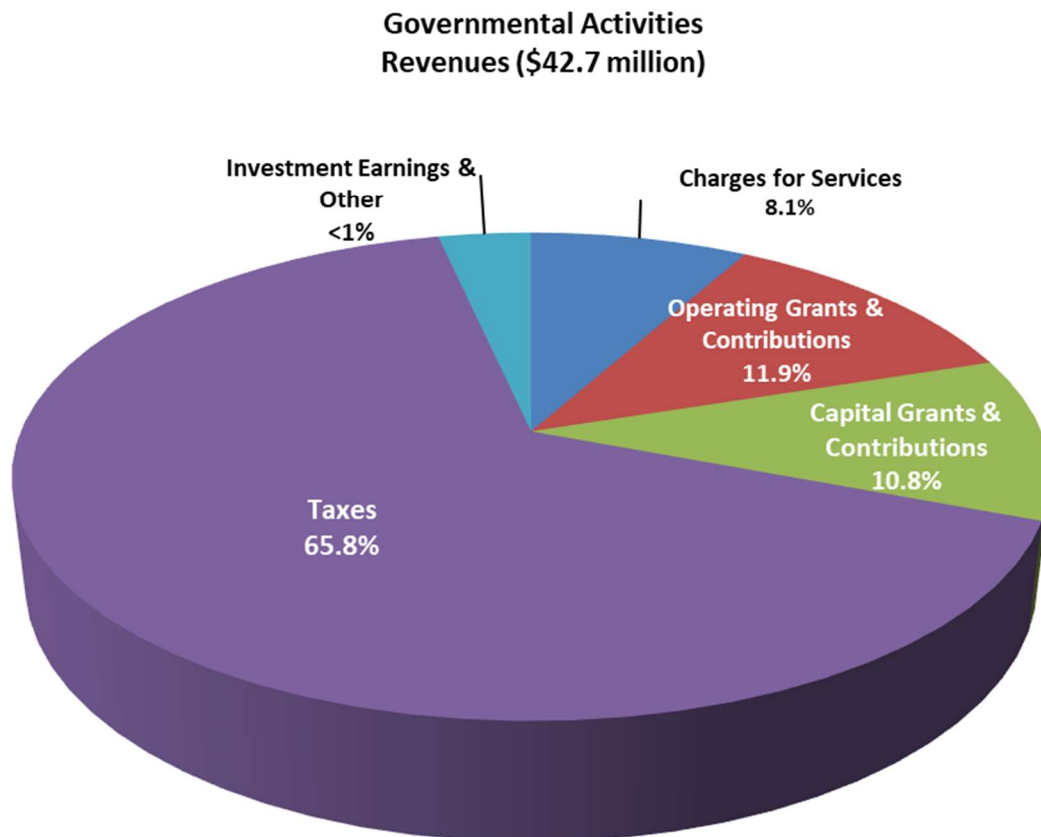
Government-wide Financial Analysis (cont.)

Revenue Highlights

Total governmental activities revenues were \$42,721,947; a decrease of \$6,849,255 or 13.82% from 2024 primarily attributable to operating and capital grants. The largest component of governmental activities' revenue are taxes, which generate \$27,290,431 making up 65.77% 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 (\$13.1 million), Sales and Use Tax (\$11.5 million), and Business License Tax (\$2.1 million). Some key changes in revenues include:

- Property tax revenue increased by \$581,387 or 4.65% compared to the prior year. Property tax revenue continued to increase due to an 8.2% increase in assessment value, largely attributable to commercial property changes in ownership and annual Consumer Price Index (CPI) adjustments per Proposition 13.
- Sales and Use tax revenue decreased by \$15,074 or 0.13% compared to the prior year. Sales taxes were impacted by inflationary pressures, with increased costs in turn constraining receipts in many local sectors.
- With business license revenue being sensitive to economic conditions, the City focused on ensuring business compliance in 2025. Through coordinated discovery efforts and educational programs, business license revenue increased by \$221,488 or 11.80% growth compared to the prior year.

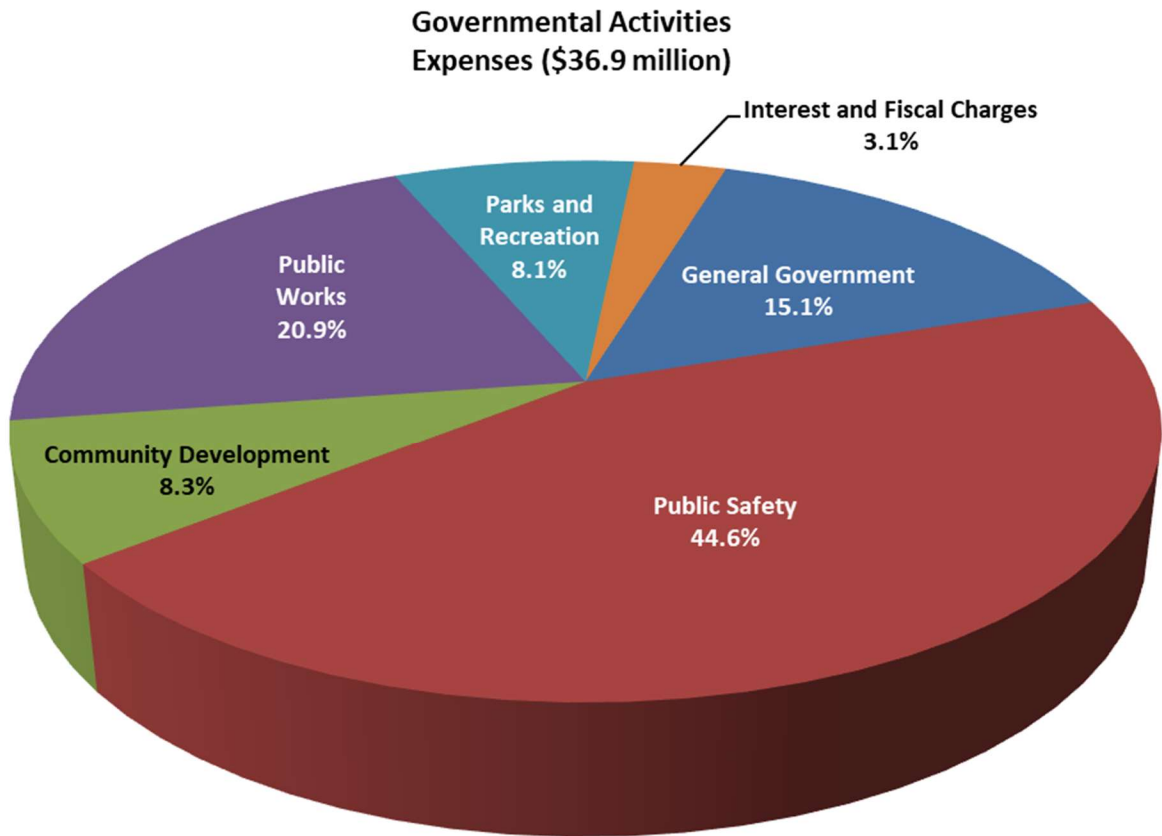
The governmental activities pie chart below illustrates operating revenues by source (excluding transfers). Taxes, which include sales and use, property, motor vehicle license, business and other taxes are general revenues used to support overall government functions. These sources account for approximately 65.8% of total governmental revenue. Charges for services make up 8.1% of revenues while operating and capital grants and contributions amount to 22.7% of total governmental revenues.



Governmental Activities (cont.)

Expense Highlights

Functional expenses for fiscal year 2024-2025 governmental activities totaled \$36,851,301, an increase of \$202,618 or 0.55% 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 \$16.4 million (44.6%) and Public Works activities accounted for approximately \$7.7 million (20.9%) of the total expenses in the governmental funds. General Government expenses (including City Council, City Manager, City Clerk, Information Technology, Finance, Human Resources, and City Attorney contract) also accounted for approximately \$5.6 million (15.1%) of total expenses. Community Development (\$3.1 million), and Recreation and Community Services (\$3.0 million) account for the remaining 16.4% of expenses.



Business-Type Activities

The net position increased from \$15,023,250 as of June 30, 2024, to \$17,416,033 as of June 30, 2025, representing a total increase of \$2,362,783, or 15.70%. This growth reflects higher revenues in both the water and sewer utilities, driven by rate adjustments and strengthened collection efforts for service charges. Expenses also declined, as several capital projects were funded through grants, allowing enterprise funds to focus primarily on operational needs. The City's Water Utility and Sewer/Wastewater operations remain its two largest business-type activities, with charges for services serving as their primary revenue source. The Summary of Activities chart on the next page provides a comparison of program revenues and expenses to the prior year for each business-type activity.

Business-Type Activities (cont.)

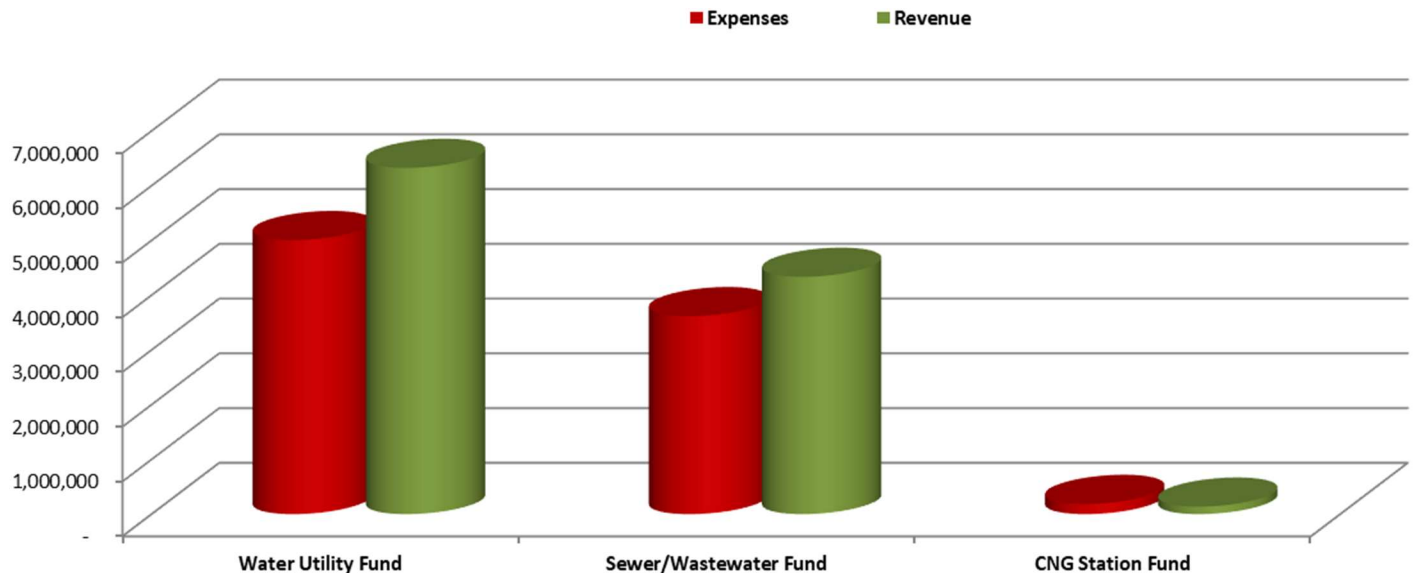
Revenue Highlights

Charges for services account for 96.87% of Business-type activities, with the primary aim of enterprise funds to charge sufficient fees to cover costs of operations. For the fiscal year ended June 30, 2025, program revenues totaled approximately \$10.8 million; an increase of \$868,267 or 8.75%, from 2024. Increases are attributable to incremental escalations over the life of the current rate schedule. A water and sewer rate study was last completed in 2019 and new rates were effective on January 1, 2020. While revenue increased 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 was initiated 2024-2025. Additional revenue increases are attributable to enhanced collection efforts following the reinstatement of delinquency escalation actions. Overall revenues for business-type activities increased by \$782,800 or 7.56% as a result of program revenues coupled with investment gains.

Expense Highlights

Total expenses for the fiscal year ended June 30, 2025 were approximately \$8.8 million, a decrease of \$1,990,969 or 18.44% from 2024. Similar to most municipalities, the City's water and wastewater (sewer) infrastructure is aging and many sections are in need of replacement. Staff were able to initiate much of the Water projects over the prior year through use of grant funding, mitigating impact to enterprise funds for many of the significant emergency capital expenditures.

**Business-type Activities -
Expenses and Program Revenues -
For the year ending June 30, 2025**



**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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 \$27,126,108 as of June 30, 2024 to \$26,604,615 as of June 30, 2025; a total decrease of \$521,493 or 1.92%. The City's governmental funds report an *unassigned* fund balance of \$4,123,785, which is an increase of \$1,322,919 or 47.23% from June 30, 2024.

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

- 1) \$49,965 for prepaid items;
- 2) \$22,430,860 restricted for transportation, housing, air pollution, parks and recreation, public safety, parking, community development, and retirement.

**Summary of Governmental Funds
Balance Sheet**

	2025	2024
Assets:		
Cash and Investments	\$ 32,011,528	\$ 28,973,169
Other assets	29,408,414	32,375,751
Total assets	61,419,942	61,348,920
Liabilities:		
Accounts Payable	2,201,125	2,860,253
Other liabilities	22,107,221	20,061,790
Total liabilities	24,308,346	22,922,043
Total deferred Inflows of Resources	10,506,981	4,399,731
Fund balances:		
Nonspendable	49,965	28,988
Restricted	22,430,865	24,296,254
Unassigned	4,123,785	2,800,866
Total fund balances	\$ 26,604,615	\$ 27,126,108
Total Fund Bal - Excluding GF	\$ 14,457,714	16,137,441

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

General Fund. The General Fund is the chief operating fund of the City. The General Fund's fund balance increased from \$10,988,667 as of June 30, 2024 to \$12,146,901 as of June 30, 2025; a total increase of \$1,158,234. Revenues actuals exceeded budgeted amounts, which were higher than anticipated business license tax and property tax revenue. While sales taxes were lower, the benefits of the transaction taxes continued to prove beneficial to the City's overall revenue totals. In 2013, San Fernando voters approved a ½-cent local transaction tax (Measure A) for a period of seven years. In 2018, 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 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 \$10,916,247 as of June 30, 2024 to \$11,079,298 as of June 30, 2025; a total increase of \$163,051 or 1.49%. Tax 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.

American Rescue Plan Act Fund. The American Rescue Plan Act (ARPA) Fund is a special revenue fund as issued through to state, local and tribal governments across the United States to support the response to and recovery from the COVID-19 public health emergency. The fund balance decreased expectedly from \$3,559,487 to \$1,749,815. All ARPA proceeds and fund balances are planned to be fully expended by December 2026.

Operating & Capital Grants Funds. Operating and Capital Grant Funds are special revenue funds used to account for grants from another governmental agency or other organizations and are restricted for specific operating and capital projects. The capital grant fund balance demonstrated slight improvements from a deficit of (\$7,224,163) as of June 30, 2024 to (\$6,490,697) as of June 30, 2025. Operating grant deficits increased from (\$773,184) to (\$1,247,283). 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 a result of the City receiving increased grant funding, additional procedures, a more in-depth grant policy, and additional oversight are 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 of business-type increased from \$15,023,250 as of June 30, 2024 to \$17,416,033 as of June 30, 2025; a total increase of \$2,362,783 or 15.70%. The increase is due in part to higher revenues from water and sewer rate adjustments, as well as improved collections following the reinstatement of delinquency escalation measures. 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.

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 deficit increased from (\$1,596,984) as of June 30, 2024 to (\$2,380,608) as of June 30, 2025; for a total change of (\$783,624), or 49.07%. These funds largely represent 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. In addition, City Council has directed staff to review its membership with Independent Cities' Risk Management Association (ICRMA) to determine whether greater efficiencies and reductions in administrative and premium costs can be achieved.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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 \$27,259,955 in Fiscal Year 2024-2025, compared to the \$25,956,393 final budget; a variance of \$1,303,562, or 5.02%. The difference is predominately due to higher than anticipated business license tax, property tax and investment earnings revenue, as the City was conservative in revenue projections out of an abundance of caution due to inflationary conditions impacting the national economy. While warranted for licenses and permits and charges for services with the economic slowdown, other revenue categories proved surprisingly resilient.

**Summary of General Fund Expenditures
Budget and Actual
June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 19,696,004	\$ 19,811,004	\$ 20,166,589	\$ 355,585
Licenses and Permits	486,500	457,750	465,208	7,458
Charges for Services	1,118,635	1,152,639	851,335	(301,304)
Fines and Forfeitures	425,000	425,000	630,176	205,176
Investment Earnings	635,000	635,000	1,533,308	898,308
Intergovernmental	3,442,500	3,442,500	3,599,061	156,561
Other	32,500	32,500	14,278	(18,222)
Total Revenues	25,836,139	25,956,393	27,259,955	1,303,562

Expenditures. Actual General Fund expenditures for Fiscal Year 2024-2025 totaled \$26,376,001, compared to the final budget of \$26,917,397. Overall expenditures were \$541,396, or 2.01% under budget. Included in these costs were approximately \$50,000 in unanticipated expenses related to the January 2025 windstorms and regional fires. Despite these unforeseen challenges, the City operated within its approved budget expenditure categories as follows:

- **Personnel Expenses:** Personnel expenses exceeded the budget by \$586,070. Public Safety overages accounted for \$496,507, or 84.72%, of the total personnel variance. These increased costs were driven by several factors, including overtime associated with injury-on-duty (IOD) leave and additional vacation coverage required to maintain minimum staffing levels necessary to support City operations.
- **Operations and Maintenance:** The operations and maintenance funding category represent equipment, training, and general departmental supplies for ongoing operations. Final expenses came in under budget by \$666,863. Underspending in this area assisted in offsetting overages in other categories.
- **Debt Service:** Debt services actuals were \$24,642. This overage was due to interest expenses, which are an unbudgeted category.

In summary, while personnel costs were higher than planned, these overages were offset by other categories which reduced the overall impact. Personnel cost projections remain a challenge due to use of an outdated and manual processes and technology. By Fiscal Year 2026-2027, paperless scheduling timekeeping will be fully implemented in concert with a new enterprise resource planning (ERP) software to better forecast, monitor and report personnel costs.

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

**Summary of General Fund Expenditures
Budget and Actual
June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General Government:				
City Council	268,089	278,089	257,696	20,393
Administration	578,160	591,725	496,025	95,700
Personnel	431,512	439,020	398,152	40,868
City Attorney	244,459	589,832	695,103	(105,271)
City Clerk	319,789	327,309	327,763	(454)
Elections	63,000	60,770	41,634	19,136
Financial Management	805,816	939,234	888,806	50,428
Information Technology	737,171	886,966	699,080	187,886
Retirement and Nondepartmental	1,639,891	1,682,444	1,508,555	173,889
Public Safety:				
Police	10,519,499	10,596,720	11,043,189	(446,469)
Fire	3,350,000	3,350,000	3,185,339	164,661
Community Development	2,282,729	2,409,207	2,287,675	121,532
Public Works	2,529,567	2,665,322	2,368,913	296,409
Parks and Recreation	2,088,191	2,100,759	2,153,082	(52,323)
Capital Outlay	-	-	347	(347)
Debt Service	-	-	24,642	(24,642)
Total Expenditures	25,857,873	26,917,397	26,376,001	541,396
Excess (Deficiency) of Revenues over Expenditures	(21,734)	(961,004)	883,954	1,844,958
OTHER FINANCING SOURCES (USES)				
Transfers In	520,000	570,000	570,000	-
Transfers Out	(459,996)	(472,053)	(295,720)	176,333
Total Other Financing Sources (Uses)	60,004	97,947	274,280	176,333
Net Change in Fund Balances	38,270	(863,057)	1,158,234	2,021,291
Fund Balance, Beginning of Year	10,988,667	10,988,667	10,988,667	-
Fund Balance, End of Year	\$ 11,026,937	\$ 10,125,610	\$ 12,146,901	\$ 2,021,291

**CITY OF SAN FERNANDO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental activities, net of accumulated depreciation, amounts to \$70,281,443 as of June 30, 2025. 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, 2025 was \$1,451,066 due to street, facility, water and other capital improvements completed during the year. Major projects completed included Phase 3 of the Annual Street Resurfacing Project, City Civic Center Beautification, Pioneer Playground Renovation, and Citywide Street Striping. Additional information on the City's capital assets can be found in Note 4 to the basic financial statements of this report.

**Capital Assets (Note 4)
Net of Accumulated Depreciation
June 30, 2025**

	Governmental Activities	Business-type Activities	Total
Capital assets not being depreciated	\$ 13,259,679	\$ 9,813,649	\$ 23,073,328
Capital assets being depreciated	136,003,730	43,564,827	179,568,557
Less accumulated depreciation	<u>(78,981,966)</u>	<u>(31,354,927)</u>	<u>(110,336,893)</u>
Net Capital Assets	\$ 70,281,443	\$ 22,023,549	\$ 92,304,992

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 \$91,300,017 as of June 30, 2024 to \$82,829,418 as of June 30, 2025; a total decrease of \$8,470,599 or 9.28%. Long-term debts for Business Activities also decreased from \$13,293,205 as of June 30, 2024 to \$11,911,360 as of June 30, 2025; a total decrease of \$1,381,845 or 10.40%. Total long-term debts in governmental and business activities consist of the following:

**Long-Term Liabilities (Note 6)
June 30, 2025**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,090,000	\$ -	\$ (105,000)	\$ 1,985,000	\$ 110,000
Premium	85,667	-	(5,711)	79,956	5,711
Pension Obligation Bonds					
Series 2021A	28,475,000	-	(1,040,000)	27,435,000	1,050,000
Loans payable from Direct Borrowing:					
Leases	415,602	-	(134,844)	280,758	128,281
Claims Payable	4,697,137	1,667,836	(1,392,609)	4,972,364	1,299,492
Insurance Assessment Payable	243,171	-	(81,057)	162,114	81,057
Compensated Absences	1,767,445	-	(152,628)	1,614,817	22,941
Net Pension Liability (Note 7)	18,039,848	-	(148,012)	17,891,836	-
Net OPEB Liability (Note 8)	35,486,147	-	(7,078,574)	28,407,573	-
Total	\$ 91,300,017	\$ 1,667,836	\$ (10,138,435)	\$ 82,829,418	\$ 2,697,482
Business-type Activities:					
Compensated Absences	\$ 241,015	\$ -	\$ (20,812)	\$ 220,203	\$ 3,128
Net Pension Liability (Note 7)	3,113,170	-	(105,773)	3,007,397	-
Net OPEB Liability (Note 8)	4,839,020	-	(965,260)	3,873,760	-
Loan Payable from Direct Borrowing:					
2020 Installment Sale Agreement	840,000	-	(135,000)	705,000	135,000
Pension Obligation Bonds					
Series 2021B	4,260,000	-	(155,000)	4,105,000	155,000
Total	\$ 13,293,205	\$ -	\$ (1,381,845)	\$ 11,911,360	\$ 293,128

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 2024-2025 was \$2,757,445,983. 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 \$689,361,498. Therefore, the legal debt margin is \$103,404,224, which is well in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements of this report and the City's legal debt margin history can be found in the Statistical Section of this report.

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 Administrative Services via email at emelton@sanfernando.gov or by mail/in person at 117 Macneil Street, San Fernando, California, 91340.

BASIC FINANCIAL STATEMENTS

City of San Fernando
Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 34,883,481	\$ 7,398,738	\$ 42,282,219
Restricted Cash and Investments	934,006	224,812	1,158,818
Receivables:			
Taxes	2,616,755	-	2,616,755
Accounts	425,902	1,744,936	2,170,838
Interest	264,705	-	264,705
Grants	9,370,880	-	9,370,880
Leases	2,071,589	-	2,071,589
Loans Receivable	1,489,249	-	1,489,249
Internal Balances	477,763	(477,763)	-
Prepaid Items	49,965	3,839	53,804
Inventories	35,156	-	35,156
Capital Assets, Not Depreciated	13,259,679	9,813,649	23,073,328
Capital Assets, Depreciated, Net	57,021,764	12,209,900	69,231,664
Total Assets	<u>122,900,894</u>	<u>30,918,111</u>	<u>153,819,005</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	4,208,099	573,832	4,781,931
Deferred Outflows Related to Pensions	12,200,376	2,041,708	14,242,084
Total Deferred Outflows of Resources	<u>16,408,475</u>	<u>2,615,540</u>	<u>19,024,015</u>
LIABILITIES			
Accounts Payable	2,565,566	471,467	3,037,033
Accrued Liabilities	988,636	106,697	1,095,333
Interest Payable	352,339	55,608	407,947
Deposits Payable	600,786	167,278	768,064
Unearned Revenue	8,865,112	-	8,865,112
Due to Other Agencies	227,471	-	227,471
Long-Term Liabilities:			
Due Within One Year	2,697,482	293,128	2,990,610
Due in More Than One Year	80,131,936	11,618,232	91,750,168
Total Liabilities	<u>96,429,328</u>	<u>12,712,410</u>	<u>109,141,738</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Leases	1,950,109	-	1,950,109
Deferred Inflows Related to OPEB	12,098,045	1,649,733	13,747,778
Deferred Inflows Related to Pensions	11,163,074	1,755,475	12,918,549
Total Deferred Inflows of Resources	<u>25,211,228</u>	<u>3,405,208</u>	<u>28,616,436</u>
NET POSITION			
Net Investment in Capital Assets	67,935,729	21,318,549	89,254,278
Restricted for:			
Transportation	4,234,886	-	4,234,886
Housing	3,423,555	-	3,423,555
Air Pollution	198,244	-	198,244
Parks & Recreation	36,736	-	36,736
Public Safety	891,074	-	891,074
Retirement	11,079,298	-	11,079,298
Community Development	2,480,937	-	2,480,937
Parking	198,150	-	198,150
Unrestricted	<u>(72,809,796)</u>	<u>(3,902,516)</u>	<u>(76,712,312)</u>
Total Net Position	<u>\$ 17,668,813</u>	<u>\$ 17,416,033</u>	<u>\$ 35,084,846</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 5,561,214	\$ 684,998	\$ -	\$ -
Public Safety	16,417,623	1,205,768	1,666,765	129,577
Community Development	3,068,997	727,214	201,309	-
Public Works	7,685,867	492,999	3,032,862	3,735,285
Parks and Recreation	2,977,410	351,775	181,418	738,593
Interest Expense	1,140,190	-	-	-
Total Governmental Activities	36,851,301	3,462,754	5,082,354	4,603,455
Business-type Activities:				
Water	5,004,840	6,323,974	-	-
Sewer	3,614,283	4,333,790	-	-
Compressed Natural Gas	185,891	136,366	-	-
Waste Disposal	1,224	-	-	-
Total Business-type Activities	8,806,238	10,794,130	-	-
Total Primary Government	\$ 45,657,539	\$ 14,256,884	\$ 5,082,354	\$ 4,603,455

General Revenues:

Taxes:

- Property
- Sales and Use
- Business License Taxes
- Franchise
- Other Taxes

Investment Income

Gain on Sale of Property

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (4,876,216)	\$ -	\$ (4,876,216)
(13,415,513)	-	(13,415,513)
(2,140,474)	-	(2,140,474)
(424,721)	-	(424,721)
(1,705,624)	-	(1,705,624)
(1,140,190)	-	(1,140,190)
<u>(23,702,738)</u>	<u>-</u>	<u>(23,702,738)</u>
-	1,319,134	1,319,134
-	719,507	719,507
-	(49,525)	(49,525)
-	(1,224)	(1,224)
<u>-</u>	<u>1,987,892</u>	<u>1,987,892</u>
<u>(23,702,738)</u>	<u>1,987,892</u>	<u>(21,714,846)</u>
13,094,389	-	13,094,389
11,534,650	-	11,534,650
2,098,254	-	2,098,254
1,020,223	-	1,020,223
350,802	-	350,802
1,269,691	348,349	1,618,040
-	-	-
205,375	-	205,375
(26,542)	26,542	-
<u>29,546,842</u>	<u>374,891</u>	<u>29,921,733</u>
5,844,104	2,362,783	8,206,887
<u>11,824,709</u>	<u>15,053,250</u>	<u>26,877,959</u>
<u>\$ 17,668,813</u>	<u>\$ 17,416,033</u>	<u>\$ 35,084,846</u>

City of San Fernando
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Retirement Tax	ARPA Fund	Operating Grants
ASSETS				
Cash and Investments	\$ 5,242,187	\$ 7,375,903	\$ 1,965,388	\$ 322,743
Restricted Cash and Investments	585,833	345,609	-	-
Receivables:				
Taxes	2,314,561	109,650	-	-
Accounts	248,760	9,076	-	1,300
Interest	264,705	-	-	-
Grants	-	-	-	1,495,515
Leases	1,920,361	-	-	-
Due From Other Funds	9,008,841	-	-	-
Loans Receivable	-	-	-	-
Advances to Other Funds	-	3,241,267	-	-
Prepaid Items	49,965	-	-	-
Total Assets	<u>\$ 19,635,213</u>	<u>\$ 11,081,505</u>	<u>\$ 1,965,388</u>	<u>\$ 1,819,558</u>
LIABILITIES				
Accounts Payable	\$ 832,414	\$ 2,207	\$ 215,573	\$ 450,751
Accrued Liabilities	877,853	-	-	17,501
Deposits	585,833	-	-	13,860
Due to Other Funds	-	-	-	917,306
Unearned Revenue	-	-	-	322,743
Due to Other Agencies	-	-	-	-
Advances From Other Funds	2,834,804	-	-	-
Total Liabilities	<u>5,130,904</u>	<u>2,207</u>	<u>215,573</u>	<u>1,722,161</u>
DEFERRED INFLOWS OF RESOURCES				
Lease Related	1,799,945	-	-	-
Unavailable Revenues - Grants	557,463	-	-	1,344,680
Total Deferred Inflows of Resources	<u>2,357,408</u>	<u>-</u>	<u>-</u>	<u>1,344,680</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	49,965	-	-	-
Restricted For:				
Transportation	-	-	-	-
Housing	-	-	-	-
Air Pollution	-	-	-	-
Parks and Recreation	-	-	-	-
Public Safety	-	-	-	-
Retirement	-	11,079,298	-	-
Community Development	-	-	1,749,815	-
Parking	-	-	-	-
Unassigned	12,096,936	-	-	(1,247,283)
Total Fund Balances	<u>12,146,901</u>	<u>11,079,298</u>	<u>1,749,815</u>	<u>(1,247,283)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,635,213</u>	<u>\$ 11,081,505</u>	<u>\$ 1,965,388</u>	<u>\$ 1,819,558</u>

The accompanying notes are an integral part of this statement.

Capital Grants	Other Governmental Funds	Total
\$ 8,599,196	\$ 8,506,111	\$ 32,011,528
-	2,564	934,006
-	192,544	2,616,755
-	102,021	361,157
-	-	264,705
7,583,659	291,706	9,370,880
-	151,228	2,071,589
-	-	9,008,841
-	1,489,249	1,489,249
-	-	3,241,267
-	-	49,965
<u>\$ 16,182,855</u>	<u>\$ 10,735,423</u>	<u>\$ 61,419,942</u>
\$ 355,889	\$ 344,291	\$ 2,201,125
39	45,063	940,456
-	1,093	600,786
7,300,000	421,286	8,638,592
8,542,369	-	8,865,112
-	227,471	227,471
-	-	2,834,804
<u>16,198,297</u>	<u>1,039,204</u>	<u>24,308,346</u>
-	150,164	1,950,109
<u>6,475,255</u>	<u>179,474</u>	<u>8,556,872</u>
<u>6,475,255</u>	<u>329,638</u>	<u>10,506,981</u>
-	-	49,965
-	4,234,886	4,234,886
-	3,423,555	3,423,555
-	190,014	190,014
-	36,736	36,736
-	789,537	789,537
-	-	11,079,298
-	728,874	2,478,689
-	198,150	198,150
<u>(6,490,697)</u>	<u>(235,171)</u>	<u>4,123,785</u>
<u>(6,490,697)</u>	<u>9,366,581</u>	<u>26,604,615</u>
<u>\$ 16,182,855</u>	<u>\$ 10,735,423</u>	<u>\$ 61,419,942</u>

City of San Fernando
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Fund Balances for Governmental Funds \$ 26,604,615

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	147,875,591
Accumulated Depreciation	(78,439,792)

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:

2016 Installment Sale Agreement	(1,985,000)
Premium on 2016 Installment Sale Agreement	(79,956)
Pension Obligation Bonds Series 2021A	(27,435,000)
Compensated Absences	(1,614,817)
Net Pension Liability	(17,891,836)
Net OPEB Liability	(28,407,573)
Interest Payable on Long-term Debt	(352,339)

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 OPEB	4,208,099
Deferred Inflows Related to OPEB	(12,098,045)
Deferred Outflows Related to Pensions	12,200,376
Deferred Inflows Related to Pensions	(11,163,074)

Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 8,556,872

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. (2,309,308)

Net Position of Governmental Activities \$ 17,668,813

The accompanying notes are an integral part of this statement.

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City of San Fernando
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Retirement Tax	ARPA Fund	Operating Grants
REVENUES				
Taxes	\$ 20,166,589	\$ 4,976,735	\$ -	\$ -
Licenses and Permits	465,208	-	-	-
Charges for Services	851,335	-	-	-
Fines and Forfeitures	630,176	-	-	-
Investment Earnings	1,533,308	344,949	-	-
Intergovernmental	3,599,061	-	-	1,144,588
Other	14,278	191,096	-	-
Total Revenues	27,259,955	5,512,780	-	1,144,588
EXPENDITURES				
Current:				
General Government	5,312,814	2,012,711	385,042	15,400
Public Safety	14,228,528	1,180,497	-	808,138
Community Development	2,287,675	110,430	-	278,267
Public Works	2,368,913	171,622	99,770	442,752
Parks and Recreation	2,153,082	131,951	2,142	86,182
Capital Outlay	347	-	1,066,176	-
Debt Service:				
Principal	-	1,040,000	-	-
Interest and Fiscal Charges	24,642	702,518	-	-
Total Expenditures	26,376,001	5,349,729	1,553,130	1,630,739
Excess of Revenues Over (Under) Expenditures	883,954	163,051	(1,553,130)	(486,151)
OTHER FINANCING SOURCES (USES)				
Transfers In	570,000	-	-	12,052
Transfers Out	(295,720)	-	(256,542)	-
Total Other Financing Sources (Uses)	274,280	-	(256,542)	12,052
Net Change in Fund Balances	1,158,234	163,051	(1,809,672)	(474,099)
Fund Balances, Beginning, as Previously Reported	10,988,667	10,916,247	3,559,487	-
Change within Financial Reporting Entity	-	-	-	(773,184)
Fund Balances, Beginning of Year, as Adjusted	10,988,667	10,916,247	3,559,487	(773,184)
Fund Balances, End of Year	\$ 12,146,901	\$ 11,079,298	\$ 1,749,815	\$ (1,247,283)

The accompanying notes are an integral part of this statement.

Capital Grants	Other Governmental Funds	Total
\$ -	\$ 2,600,188	\$ 27,743,512
-	-	465,208
-	420,001	1,271,336
-	2,915	633,091
-	380,149	2,258,406
3,842,078	1,781,245	10,366,972
-	-	205,374
<u>3,842,078</u>	<u>5,184,498</u>	<u>42,943,899</u>
-	-	7,725,967
-	12,727	16,229,890
-	292,605	2,968,977
9,586	1,833,033	4,925,676
599,232	224,086	3,196,675
2,499,794	2,487,082	6,053,399
-	105,000	1,145,000
-	72,438	799,598
<u>3,108,612</u>	<u>5,026,971</u>	<u>43,045,182</u>
<u>733,466</u>	<u>157,527</u>	<u>(101,283)</u>
-	-	582,052
-	(450,000)	(1,002,262)
-	(450,000)	(420,210)
<u>733,466</u>	<u>(292,473)</u>	<u>(521,493)</u>
(7,224,163)	8,885,870	27,126,108
-	773,184	-
<u>(7,224,163)</u>	<u>9,659,054</u>	<u>27,126,108</u>
<u>\$ (6,490,697)</u>	<u>\$ 9,366,581</u>	<u>\$ 26,604,615</u>

City of San Fernando
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (521,493)

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	5,527,832
Depreciation Expense	(3,954,664)
Loss on Disposal	-

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	105,000
Amortization of Premium on Installment Sale Agreement	5,711
Principal payment on Pension Obligation Bonds Series 2021A	1,040,000

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	152,628
Net Pension Liability	148,012
Net OPEB Liability	7,078,574
Accrued Interest Payable	(346,303)

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	(7,999,681)
Deferred Inflows Related to Pensions	10,011,655
Deferred Outflows Related to OPEB	(1,763,309)
Deferred Inflows Related to OPEB	(2,700,106)

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. (221,952)

The change in net position of the internal service fund is reported with governmental activities. (717,800)

Change in Net Position of Governmental Activities	\$ 5,844,104
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The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Proprietary Funds
June 30, 2025

ASSETS	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor		
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,167,019	\$ 5,072,376	\$ 159,343	\$ 7,398,738	\$ 2,871,953
Restricted Cash and Investments	208,835	15,977	-	224,812	-
Customer Accounts Receivable, Net	976,480	768,456	-	1,744,936	64,745
Inventory	-	-	-	-	35,156
Prepaid Items	3,600	239	-	3,839	-
Total Current Assets	<u>3,355,934</u>	<u>5,857,048</u>	<u>159,343</u>	<u>9,372,325</u>	<u>2,971,854</u>
Noncurrent Assets:					
Advances to Other Funds	-	64,450	-	64,450	-
Capital Assets, Not Being Depreciated	9,813,649	-	-	9,813,649	-
Capital Assets, Net of Accumulated Depreciation	8,543,592	3,666,308	-	12,209,900	845,644
Total Noncurrent Assets	<u>18,357,241</u>	<u>3,730,758</u>	<u>-</u>	<u>22,087,999</u>	<u>845,644</u>
Total Assets	<u>21,713,175</u>	<u>9,587,806</u>	<u>159,343</u>	<u>31,460,324</u>	<u>3,817,498</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Actuarial Amounts	430,374	143,458	-	573,832	-
Pension Actuarial Amounts	1,413,490	628,218	-	2,041,708	-
Total Deferred Outflows of Resources	<u>1,843,864</u>	<u>771,676</u>	<u>-</u>	<u>2,615,540</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	408,900	61,239	1,328	471,467	364,441
Accrued Liabilities	74,144	31,184	1,369	106,697	48,180
Interest Payable	40,594	15,014	-	55,608	-
Due to Other Funds	-	-	-	-	370,249
Current Portion of Leases Payable	-	-	-	-	128,281
Current Portion of Insurance Payable	-	-	-	-	81,057
Current Portion of Claims Payable	-	-	-	-	1,299,492
Current Portion of Compensated Absences	2,346	782	-	3,128	-
Current Portion of Installment Sale Agreement	135,000	-	-	135,000	-
Current Portion of Pension Obligation Bonds	112,329	42,671	-	155,000	-
Customer Deposits	167,278	-	-	167,278	-
Total Current Liabilities	<u>940,591</u>	<u>150,890</u>	<u>2,697</u>	<u>1,094,178</u>	<u>2,291,700</u>
Noncurrent Liabilities:					
Advances From other Funds	267,681	203,232	-	470,913	-
Leases Payable	-	-	-	-	152,477
Insurance Assessment Payable	-	-	-	-	81,057
Claims Payable	-	-	-	-	3,672,872
Compensated Absences	162,806	54,269	-	217,075	-
Installment Sale Agreement	570,000	-	-	570,000	-
Pension Obligation Bonds	2,860,960	1,089,040	-	3,950,000	-
Net OPEB Liability	2,905,320	968,440	-	3,873,760	-
Net Pension Liability	2,082,044	925,353	-	3,007,397	-
Total Noncurrent Liabilities	<u>8,848,811</u>	<u>3,240,334</u>	<u>-</u>	<u>12,089,145</u>	<u>3,906,406</u>
Total Liabilities	<u>9,789,402</u>	<u>3,391,224</u>	<u>2,697</u>	<u>13,183,323</u>	<u>6,198,106</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB Actuarial Amounts	1,237,300	412,433	-	1,649,733	-
Pension Actuarial Amounts	1,215,329	540,146	-	1,755,475	-
Total Deferred Inflows of Resources	<u>2,452,629</u>	<u>952,579</u>	<u>-</u>	<u>3,405,208</u>	<u>-</u>
NET POSITION					
Net Investment In Capital Assets	17,652,241	3,666,308	-	21,318,549	564,886
Unrestricted	(6,337,233)	2,349,371	156,646	(3,831,216)	(2,945,494)
Total Net Position	<u>\$ 11,315,008</u>	<u>\$ 6,015,679</u>	<u>\$ 156,646</u>	<u>17,487,333</u>	<u>\$ (2,380,608)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(71,300)	
Net Position of Business-type Activities				<u>\$ 17,416,033</u>	

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2025

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor		
OPERATING REVENUES					
Charges for Services	\$ 6,306,011	\$ 4,333,790	\$ 125,639	\$ 10,765,440	\$ 4,728,557
Other	17,963	-	10,727	28,690	22,718
Total Operating Revenues	<u>6,323,974</u>	<u>4,333,790</u>	<u>136,366</u>	<u>10,794,130</u>	<u>4,751,275</u>
OPERATING EXPENSES					
Contractual Services	26,313	673,637	-	699,950	-
Maintenance and Operations	3,961,697	2,599,007	95,898	6,656,602	572,821
Administration and General	-	-	91,217	91,217	5,162,946
Depreciation	834,900	261,549	-	1,096,449	306,957
Total Operating Expenses	<u>4,822,910</u>	<u>3,534,193</u>	<u>187,115</u>	<u>8,544,218</u>	<u>6,042,724</u>
Operating Income (Loss)	<u>1,501,064</u>	<u>799,597</u>	<u>(50,749)</u>	<u>2,249,912</u>	<u>(1,291,449)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	113,061	224,476	10,812	348,349	122,460
Interest Expense	(149,018)	(47,178)	-	(196,196)	(8,303)
Total Nonoperating Revenues (Expenses)	<u>(35,957)</u>	<u>177,298</u>	<u>10,812</u>	<u>152,153</u>	<u>114,157</u>
Income (Loss) Before Transfers	<u>1,465,107</u>	<u>976,895</u>	<u>(39,937)</u>	<u>2,402,065</u>	<u>(1,177,292)</u>
Transfers In	256,542	-	-	256,542	393,668
Transfers Out	(145,000)	(85,000)	-	(230,000)	-
Change in Net Position	<u>1,576,649</u>	<u>891,895</u>	<u>(39,937)</u>	<u>2,428,607</u>	<u>(783,624)</u>
Net Position, Beginning of Year	<u>9,738,359</u>	<u>5,123,784</u>	<u>196,583</u>		<u>(1,596,984)</u>
Net Position, End of Year	<u>\$ 11,315,008</u>	<u>\$ 6,015,679</u>	<u>\$ 156,646</u>		<u>\$ (2,380,608)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(65,824)</u>	
Change in Net Position of Business-type Activities				<u>\$ 2,362,783</u>	

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor		
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 6,321,012	\$ 4,363,940	\$ 125,639	\$ 10,810,591	\$ 4,756,704
Payments to Suppliers and Contractors	(3,148,277)	(3,239,566)	(146,760)	(6,534,603)	(3,580,130)
Payments to Employees	(2,014,934)	(766,803)	(91,217)	(2,872,954)	(1,883,706)
Other Operating Income	17,963	-	10,727	28,690	22,718
Net Cash Flows from Operating Activities	<u>1,175,764</u>	<u>357,571</u>	<u>(101,611)</u>	<u>1,431,724</u>	<u>(684,414)</u>
Cash Flows from Noncapital Financing Activities					
Loans from (to) Other Funds	(138,158)	116,765	-	(21,393)	207,347
Interest Expense Paid	(108,424)	(32,164)	-	(140,588)	-
Transfers from Other Funds	256,542	-	-	256,542	393,668
Transfers to Other Funds	(145,000)	(85,000)	-	(230,000)	-
Net Cash Flows from Noncapital Financing Activities	<u>(135,040)</u>	<u>(399)</u>	<u>-</u>	<u>(135,439)</u>	<u>601,015</u>
Cash Flows from Capital Financing Activities					
Debt Proceeds	-	-	-	-	-
Payments on Long-term Debt	(248,150)	(41,850)	-	(290,000)	(134,844)
Interest Expense Paid	-	-	-	-	(8,303)
Acquisition of Capital Assets	(610,863)	-	-	(610,863)	(184,855)
Net Cash Flows from Capital Financing Activities	<u>(859,013)</u>	<u>(41,850)</u>	<u>-</u>	<u>(900,863)</u>	<u>(328,002)</u>
Cash Flows from Investing Activities					
Interest Received	113,061	224,476	10,812	348,349	122,460
Net Increase (Decrease) in Cash and Cash Equivalents	294,772	539,798	(90,799)	743,771	(288,941)
Cash and Cash Equivalents - Beginning of Year	2,081,082	4,548,555	250,142	6,879,779	3,160,894
Cash and Cash Equivalents - End of Year	<u>\$ 2,375,854</u>	<u>\$ 5,088,353</u>	<u>\$ 159,343</u>	<u>\$ 7,623,550</u>	<u>\$ 2,871,953</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 1,501,064	\$ 799,597	\$ (50,749)	\$ 2,249,912	\$ (1,291,449)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	834,900	261,549	-	1,096,449	306,957
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(10,478)	30,150	-	19,672	28,147
(Increase) Decrease in Prepaids	(3,600)	(239)	-	(3,839)	4,276
(Increase) Decrease in Deferred Outflows - OPEB	180,338	60,113	-	240,451	-
(Increase) Decrease in Deferred Outflows - Pensions	1,095,180	249,817	-	1,344,997	-
Increase (Decrease) in Accounts Payable	(331,359)	(624,442)	(50,862)	(1,006,663)	55,664
Increase (Decrease) in Accrued Liabilities	(1,404)	1,908	-	504	17,821
Increase (Decrease) in Compensated Absences	(15,609)	(5,203)	-	(20,812)	-
Increase (Decrease) in Net OPEB Liability	(723,945)	(241,315)	-	(965,260)	-
Increase (Decrease) in Net Pension Liability	(224,008)	118,235	-	(105,773)	-
Increase (Decrease) in Deferred Inflows - OPEB	276,147	92,049	-	368,196	-
Increase (Decrease) in Deferred Inflows - Pensions	(1,426,941)	(384,648)	-	(1,811,589)	-
Increase (Decrease) in Ins. Assessments Payable	-	-	-	-	(81,057)
Increase (Decrease) in Claims Payable	-	-	-	-	275,227
Increase (Decrease) in Customer Deposits	25,479	-	-	25,479	-
Net Cash Provided by Operating Activities	<u>\$ 1,175,764</u>	<u>\$ 357,571</u>	<u>\$ (101,611)</u>	<u>\$ 1,431,724</u>	<u>\$ (684,414)</u>

The accompanying notes are an integral part of this statement.

City of San Fernando
Statement of Net Position
Fiduciary Funds
June 30, 2025

	Custodial Fund	OPEB Trust Fund
ASSETS		
Cash and Investments	\$ 223,771	\$ 9,625
Investments:		
Mutual Funds	-	272,015
Unit Investment Trusts	-	1,475,447
Accounts Receivable	1,426	-
Interest Receivable	-	-
Prepaid Items	3,000	-
	228,197	1,757,087
LIABILITIES		
Accounts Payable	43,273	-
	43,273	-
NET POSITION		
Restricted for OPEB	-	1,757,087
Restricted for Individuals and Organizations	184,924	-
	\$ 184,924	\$ 1,757,087

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, 2025

	Custodial Fund	OPEB Trust Fund
ADDITIONS		
Contributions from City	\$ -	\$ 500,000
Investment Earnings	-	149,523
Miscellaneous Collected for Others	251,565	-
Total Additions	251,565	649,523
DEDUCTIONS		
General and Administrative	-	1,261
Recipient Payments	231,860	-
Total Deductions	231,860	1,261
Change in Net Position	19,705	648,262
Net Position - Beginning of Year	165,219	1,108,825
Net Position - End of Year	\$ 184,924	\$ 1,757,087

The accompanying notes are an integral part of this statement.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

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 Powers 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, 2025

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 and fiduciary 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, 2025

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

The OPEB Trust Fund accounts for the activities of the City's Other Post-employment benefits (OPEB) Plan, which accumulates resources for OPEB benefit payments to qualified City employees.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

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 and Prepaids

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than 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:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

I) Unavailable Revenues

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

J) Restricted Assets

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

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.

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".

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

N) Property Taxes

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

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

O) Use of Estimates

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

P) Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has certain items, which arise only under the modified accrual basis of accounting, which 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, the Net Pension Liability, and leases, which qualify for reporting in this category.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Q) Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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, 2025

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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, 2025, the City's receivable for lease payments was \$2,071,589. 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, 2025, the balance of the deferred inflows of resources was \$1,950,109.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Lessee: The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements and the proprietary funds. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

The Governmental Accounting Standards Board has issued the following Statements, which will affect the City's financial reporting requirements in the future: Statement No. 103, "Financial Reporting Model Improvements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

2) CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2025:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and Investments	\$ 42,282,219	\$ 223,771	\$ 42,505,990
Restricted Cash and Investments	1,158,818	1,757,087	2,915,905
Total Cash and Investments	<u>\$ 43,441,037</u>	<u>\$ 1,980,858</u>	<u>\$ 45,421,895</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

Cash and investments at June 30, 2025 consisted of the following:

Demand Deposits	\$	5,463,469
Petty Cash		2,800
Investments		39,955,626
Total Cash and Investments	\$	45,421,895

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. The OPEB Trust Fund investments are not covered by the investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Allowable % of Portfolio	Maximum Percentage per Issuer
U.S. Treasury Obligations	5 years	None	N/A
U.S. Government Agency Securities	5 years	None	30%
Commercial Paper	270 days	15%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Banker's Acceptances	180 days	25%	5%
Corporate Medium-term Notes	5 years	30%	5%
Repurchase Agreements	75 days	20%	N/A
Municipal Bonds	5 years	None	N/A
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million
Money Market Mutual Funds	N/A	20%	10%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Most of the City's investments are held in trust by a fiscal agent as required by the bond indenture. A table summarizing distribution of the City's investment by maturity as of June 30, 2025 is as follows:

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25 to 60 Months	
Local Agency Investment Fund	\$ 10,877,854	\$ -	\$ -	\$ 10,877,854
Certificates of Deposit	2,413,412	3,225,791	789,888	6,429,091
U.S. Treasury Notes	-	496,500	481,895	978,395
Federal Agency Securities	2,634,495	3,008,282	4,156,563	9,799,340
Corporate Medium-term Notes	4,670,228	2,436,730	621,559	7,728,517
Municipal Bonds	-	1,024,954	964,305	1,989,259
OPEB Trust Fund:				
Mutual Funds	272,015	-	-	272,015
Unit Investment Trusts	1,475,447	-	-	1,475,447
Held by Bond Trustees:				
Money Market Mutual Funds	405,708	-	-	405,708
Total	\$ 22,749,159	\$ 10,192,257	\$ 7,014,210	\$ 39,955,626

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	\$ 10,877,854	N/A	\$ -	\$ -	\$ -	\$ 10,877,854
Certificates of Deposit	6,429,091	N/A	-	-	-	6,429,091
U.S. Treasury Notes	978,395	N/A	978,395	-	-	-
Federal Agency Securities	9,799,340	N/A	-	9,799,340	-	-
Corporate Medium-term Notes	7,728,517	A	976,188	6,752,329	-	-
Municipal Bonds	1,989,259	AA	1,360,953	628,306	-	-
OPEB Trust Fund:						
Mutual Funds	272,015	N/A	-	-	272,015	-
Unit Investment Trusts	1,475,447	N/A	-	-	1,475,447	-
Held by Bond Trustees:						
Money Market Mutual Funds	405,708	AAA	405,708	-	-	-
Total	\$ 39,955,626		\$ 3,721,244	\$ 17,179,975	\$ 1,747,462	\$ 17,306,945

Concentration of Credit Risk

At June 30, 2025, the City had no investments in any one issuer that represent more than 5% of total City investments, except for investments with Federal Home Loan Bank, which represent 25% of total investments.

Custodial Credit Risk

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

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

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, 2025:

- U.S. Treasury Notes of \$978,395 and Federal Agency Securities of \$9,799,340 are valued using quoted market prices (Level 1 inputs).
- Corporate Medium-term Notes of \$7,728,517 are valued using a matrix pricing model (Level 2 inputs).
- Certificates of Deposit of \$6,429,091 are valued using a matrix pricing model (Level 2 inputs).
- Municipal Bonds of \$1,989,259 are valued using a matrix pricing model (Level 2 inputs).

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The General Fund has loaned \$917,306 to the Operating Grants Fund, \$7,300,000 to the Capital Grants Fund, \$421,286 to non-major governmental funds, and \$370,249 to the internal service 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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Long-term Advances

At June 30, 2025, the City reported the following interfund long-term advances:

		ADVANCES FROM		
		Retirement Tax Fund	Sewer Fund	Total
	General Fund	\$ 2,834,804	\$ -	\$ 2,834,804
ADVANCES	Water Fund	203,231	64,450	267,681
TO	Sewer Fund	203,232	-	203,232
	Total	\$ 3,241,267	\$ 64,450	\$ 3,305,717

- (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, 2025, the outstanding balance of the advance is \$64,450.
- (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, 2025, the outstanding balance due from the General Fund, Water Fund, and Sewer Fund are \$2,834,804, \$203,231, and \$203,232.

Summary of Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 450,000
	Water Enterprise Fund	60,000
	Sewer Enterprise Fund	60,000
Water Enterprise Fund	ARPA Fund	256,542
Other Governmental Funds	General Fund	12,052
Internal Service Funds	General Fund	283,668
	Water Enterprise Fund	85,000
	Sewer Enterprise Fund	25,000
		\$ 1,232,262

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 \$12,052 to other governmental funds to fund various project costs. The transfers to the Water Enterprise Fund were to help fund capital project costs. The General Fund transferred \$283,668, the Water Fund transferred \$85,000, and the Sewer Fund transferred \$25,000, to the Internal Service Funds for their portion of property insurance premiums for covered well sites, and for improvements.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

4) CAPITAL ASSETS ACTIVITY

The following represents capital assets activity for the fiscal year:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 4,397,105	\$ -	\$ -	\$ 4,397,105
Construction in Progress	8,024,010	2,446,000	1,607,436	8,862,574
Total Capital Assets Not Depreciated	<u>12,421,115</u>	<u>2,446,000</u>	<u>1,607,436</u>	<u>13,259,679</u>
Capital Assets, Being Depreciated:				
Buildings	30,310,607	-	-	30,310,607
Improvements Other than Buildings	19,729,935	2,166,311	-	21,896,246
Machinery and Equipment	14,319,970	865,798	137,003	15,048,765
Lease Asset: Equipment	445,896	-	-	445,896
Infrastructure	66,460,202	1,842,014	-	68,302,216
Total Capital Assets Being Depreciated	<u>131,266,610</u>	<u>4,874,123</u>	<u>137,003</u>	<u>136,003,730</u>
Less Accumulated Depreciation:				
Buildings	(16,183,928)	(877,451)	-	(17,061,379)
Improvements Other than Buildings	(4,658,753)	(903,985)	-	(5,562,738)
Machinery and Equipment	(9,720,279)	(522,303)	(137,003)	(10,105,579)
Lease Asset: Equipment	(129,760)	(129,760)	-	(259,520)
Infrastructure	(44,164,628)	(1,828,122)	-	(45,992,750)
Total Accumulated Depreciation	<u>(74,857,348)</u>	<u>(4,261,621)</u>	<u>(137,003)</u>	<u>(78,981,966)</u>
Net Capital Assets Being Depreciated	<u>56,409,262</u>	<u>612,502</u>	<u>-</u>	<u>57,021,764</u>
Total Capital Assets	<u>\$ 68,830,377</u>	<u>\$ 3,058,502</u>	<u>\$ 1,607,436</u>	<u>\$ 70,281,443</u>
	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	7,653,423	554,399	-	8,207,822
Total Capital Assets Not Depreciated	<u>9,259,250</u>	<u>554,399</u>	<u>-</u>	<u>9,813,649</u>
Capital Assets, Being Depreciated:				
Buildings	5,749,295	56,464	-	5,805,759
Improvements Other than Buildings	2,953,942	-	-	2,953,942
Machinery and Equipment	9,030,958	-	52,604	8,978,354
Infrastructure	25,826,772	-	-	25,826,772
Total Capital Assets Being Depreciated	<u>43,560,967</u>	<u>-</u>	<u>52,604</u>	<u>43,564,827</u>
Less Accumulated Depreciation:				
Buildings	(4,056,072)	(101,980)	-	(4,158,052)
Improvements Other than Buildings	(518,286)	(163,852)	-	(682,138)
Machinery and Equipment	(7,445,074)	(187,450)	(52,604)	(7,579,920)
Infrastructure	(18,291,650)	(643,167)	-	(18,934,817)
Total Accumulated Depreciation	<u>(30,311,082)</u>	<u>(1,096,449)</u>	<u>(52,604)</u>	<u>(31,354,927)</u>
Net Capital Assets Being Depreciated	<u>13,249,885</u>	<u>(1,096,449)</u>	<u>-</u>	<u>12,209,900</u>
Total Capital Assets	<u>\$ 22,509,135</u>	<u>\$ (542,050)</u>	<u>\$ -</u>	<u>\$ 22,023,549</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

4) CAPITAL ASSETS ACTIVITY

Depreciation expense was charged to functions/programs as follows:

Function/Program	Governmental Activities	Business-type Activities
General Government	\$ 13,637	\$ -
Public Safety	575,319	-
Public Works	3,225,624	-
Parks and Recreation	134,664	-
Community Development	312,377	-
Water	-	834,900
Sewer	-	261,549
Waste Disposal	-	-
Total Depreciation	\$ 4,261,621	\$ 1,096,449

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 \$227,471 when collected, are due back to the granting agency and, therefore, are reported as due to other agencies in the financial statements. Other low-income housing loans of \$1,261,778 are reported in the Housing Special Revenue Fund.

6) LONG-TERM LIABILITIES ACTIVITY

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2016 Installment Sale Agreement	\$ 2,090,000	\$ -	\$ 105,000	\$ 1,985,000	\$ 110,000
Premium	85,667	-	5,711	79,956	5,711
Pension Obligation Bonds Series 2021A	28,475,000	-	1,040,000	27,435,000	1,050,000
Loans payable from Direct Borrowing:					
Leases	415,602	-	134,844	280,758	128,281
Claims Payable	4,697,137	1,667,836	1,392,609	4,972,364	1,299,492
Insurance Assessment Payable	243,171	-	81,057	162,114	81,057
Compensated Absences, Net	1,767,445	-	152,628	1,614,817	22,941
Net Pension Liability	18,039,848	-	148,012	17,891,836	-
Net OPEB Liability	35,486,147	-	7,078,574	28,407,573	-
Total	\$ 91,300,017	\$ 1,667,836	\$ 10,138,435	\$ 82,829,418	\$ 2,697,482
Business-type Activities:					
Compensated Absences, Net	\$ 241,015	\$ -	\$ 20,812	\$ 220,203	\$ 3,128
Net Pension Liability	3,113,170	-	105,773	3,007,397	-
Net OPEB Liability	4,839,020	-	965,260	3,873,760	-
Loans payable from Direct Borrowing:					
2020 Installment Sale Agreement	840,000	-	135,000	705,000	135,000
Pension Obligation Bonds Series 2021B	4,260,000	-	155,000	4,105,000	155,000
Total	\$ 13,293,205	\$ -	\$ 1,381,845	\$ 11,911,360	\$ 293,128

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

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
2026	\$ 110,000	\$ 67,187	\$ 177,187
2027	115,000	61,688	176,688
2028	120,000	57,087	177,087
2029	125,000	52,288	177,288
2030	130,000	47,287	177,287
2031 - 2035	725,000	174,750	899,750
2036 - 2040	660,000	54,568	714,568
Totals	<u>\$ 1,985,000</u>	<u>\$ 514,855</u>	<u>\$ 2,499,855</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, 2025

6) LONG-TERM LIABILITIES ACTIVITY – Continued

Series 2021A

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,090,000	650,029	1,740,029
2030	1,110,000	631,118	1,741,118
2031 - 2035	5,905,000	2,799,141	8,704,141
2036 - 2040	6,715,000	1,997,299	8,712,299
2041 - 2045	7,740,000	962,173	8,702,173
2046	1,690,000	50,700	1,740,700
Totals	\$ 27,435,000	\$ 9,132,995	\$ 36,567,995

Series 2021B

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 155,000	\$ 111,217	\$ 266,217
2027	155,000	109,281	264,281
2028	160,000	106,895	266,895
2029	160,000	104,113	264,113
2030	165,000	101,081	266,081
2031 - 2035	880,000	447,857	1,327,857
2036 - 2040	1,005,000	318,975	1,323,975
2041 - 2045	1,170,000	153,940	1,323,940
2046	255,000	8,088	263,088
Totals	\$ 4,105,000	\$ 1,461,447	\$ 5,566,447

Leases Payable

The City, at various occasions, enters into lease agreements that qualify as lease liabilities for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The amount of lease assets reported in governmental activities, net of accumulated amortization, is \$186,376. The following represents the future lease payments to be made:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 128,281	\$ 14,867	\$ 143,148
2027	119,512	20,678	140,190
2028	32,965	6,833	39,798
Totals	\$ 280,758	\$ 42,378	\$ 323,136

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

6) LONG-TERM LIABILITIES ACTIVITY – Continued

Net Pension Liability

On April 9, 1946, the voters of the City of San Fernando approved an ad valorem property tax to raise the funds necessary to pay the City’s annual obligation to CalPERS for the retirement benefits of City employees. In 1978, California voters approved Proposition 13, which limited the levy on ad valorem property taxes to one-percent (1%) of assessed value. In 1985, the State Legislature adopted Revenue and Taxation Code Section 96.31, which authorized a jurisdiction to continue to impose an ad valorem property tax levy to make payments in support of pension programs provided: 1) it was approved by voters prior to July 1, 1978, and 2) the jurisdiction imposed the property tax levy in either FY 1982-1983 or FY 1983-1984. It also capped the rate the jurisdiction could impose to the rate imposed in FY 1982-1983 or FY 1983-1984, whichever is higher. Consequently, the maximum rate that can be levied by the City is \$0.28420 for each \$100 of assessed property value, as established in FY 1982-1983.

Tax revenues raised through this special tax levy are accounted for in the Retirement Tax Special Revenue fund. The City’s annual retirement costs are liquidated from this fund. In FY 2024-25, the levy was \$0.170462 per \$100 of assessed valuation, which was sufficient to fully fund the City’s CalPERS retirement costs.

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

Insurance Assessment Payable

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 81,057	\$ 67,187	\$ 148,244
2027	81,057	61,688	142,745
Totals	\$ 162,114	\$ 128,875	\$ 290,989

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 2024-25, the Net Revenues amounted to approximately \$2.3 million while the required Net Revenues based on the debt agreement approximated \$196,000.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

6) LONG-TERM LIABILITIES ACTIVITY – Continued

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 705,000</u>	<u>\$ 40,660</u>	<u>\$ 745,660</u>

Other Post-Employment Benefits (OPEB) Obligation

OPEB, i.e. retiree medical benefits, are primarily paid from the City's General Fund. In 2015, the City negotiated restructuring retiree medical benefits with all bargaining units. Employees hired after July 1, 2015 receive the minimum retiree medical benefits required by the Public Employees Medical and Health Care Act (PEMHCA), which was \$157 per month for calendar year 2024. 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, 2023 Annual Actuarial Valuation Report.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

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

Details of the benefits provided can be obtained in Appendix B of the June 30, 2023 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, 2025, are summarized as follows:

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA	
	Prior to November 12, 2005	Prior to January 1, 2013	On or after January 1, 2013	
Hire date	November 12, 2005	January 1, 2013	January 1, 2013	
Benefit formula	3% @ 60	2% @ 55	2% @ 62	
	single highest year	36 month average	36 month average	
Benefit vesting schedule	5 years service	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	monthly for life	
Retirement age	50 - 60	55	62	
Monthly benefits, as a % of eligible compensation	2% to 3%	2%	2%	
Required employee contribution rates	8%	7%	8.0%	
Required employer contribution rates	18.03% + \$922,595	13.05% + \$23,934	8.07% + \$4,130	
	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	January 6, 1994	September 8, 2012	January 1, 2013	January 1, 2013
Benefit formula	3% @ 50	3% @ 50	3% @ 55	2.7% @ 55
	single highest year	36 month average	36 month average	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%	13.75%
Required employer contribution rates	0% + \$387,184	25.86% + \$103,362	23.00% + \$2,759	13.76% + \$4,840

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 \$1,497,252 in fiscal year 2025.

The City's contributions to the Plan for the year ended June 30, 2025 were \$3,170,133.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

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

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

As of June 30, 2025, the City reported a liability of \$20,899,233 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2024 and 2025 was as follows:

Proportion - June 30, 2024	0.16956%
Proportion - June 30, 2025	0.17233%
Change - Increase (Decrease)	0.00277%

For the year ended June 30, 2025, the City recognized pension expense of \$437,783. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,170,134	\$ -
Differences between actual and expected experience	1,761,666	63,785
Changes in assumptions	527,223	-
Change in employer's proportion	1,386,426	9,097,096
Differences between the employer's contributions and the employer's proportionate share of contributions	6,279,660	3,757,668
Net differences between projected and actual earnings on plan investments	1,116,975	-
Total	\$ 14,242,084	\$ 12,918,549

The \$3,170,134 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, 2026. 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,		
2026	\$	(2,589,601)
2027		1,350,051
2028		(224,515)
2029		(382,534)
2030		-
Thereafter		-

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

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

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
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, 2025

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	\$ 43,810,343
Current Discount Rate	6.90%
Net Pension Liability	\$ 20,899,233
1% Increase	7.90%
Net Pension Liability	\$ 2,097,648

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, 2025, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2025.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

8) OTHER POST-EMPLOYMENT BENEFITS

Plan Description - For employees hired prior to July 1, 2015, the City contributes to an agent multiple-employer defined benefit plan to provide post-employment health care benefits (the "Plan"). Specifically, the City provides health insurance for its retired employees and their dependent spouses (if married and covered on the City's plan at time of retirement), or survivors in accordance with Board resolutions.

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

For employees hired on or after July 1, 2015, the City will provide the minimum retiree health benefit required by the Public Employees Medical and Health Care Act (PEMHCA), which was \$158 per month for calendar year 2025 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, 2024 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	109
Inactive employees entitled to but not yet receiving benefits	12
Active employees	124
	245

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. In addition, as the City's budget allows, the City will make additional contributions to the OPEB Trust Account, administered by Charles Schwab Trust Bank. This obligation is typically liquidated from the General Fund and responsible Enterprise Funds.

Net OPEB Liability - The City's Net OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
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	8.50% initial, 3.45% ultimate - Non-Medicare 7.50% initial, 3.75% ultimate - Medicare
Inflation Rate	2.50%
Salary Changes	2.75%
Discount Rate	5.50% - Discount Rate 3.86% - Fidelity GO AA - 20-year Index at June 30, 2022

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

8) OTHER POST-EMPLOYMENT BENEFITS – Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	50%	4.56%
Fixed Income	48%	78.00%
Cash	2%	-0.50%

(1) Assumed long-term rate of inflation: 2.50%

(2) Expected long-term net rate of return, rounded: 5.50%

Discount Rate – The discount rate of 5.50% is a blended rate between the rate of return and using the Bond Buyer 20-Bong-GO index.

Changes in the Net OPEB Liability

	Total OPEB Liability (TOL)	Fiduciary Net Position (NPL)	Net OPEB Liability (NOL)
Balance at June 30, 2023 (measurement date)	\$ 40,325,167	\$ -	\$ 40,325,167
Changes in the year:			
Service cost	973,803	-	973,803
Interest on the total OPEB liability	1,565,071	-	1,565,071
Differences between expected and actual experience	-	-	-
Assumption Changes	(7,968,814)	-	(7,968,814)
Contributions - employer	-	2,510,261	(2,510,261)
Net investment income	-	108,674	(108,674)
Benefit payments, including refunds	(1,506,145)	(1,506,145)	-
Administrative expenses	-	(5,041)	5,041
Net changes	(6,936,085)	1,107,749	(8,043,834)
Balance at June 30, 2024 (measurement date)	\$ 33,389,082	\$ 1,107,749	\$ 32,281,333

Sensitivity of the Net OPEB Liability to changes in the Discount Rate - The following presents the net 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 (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB liability (asset)	\$ 36,814,228	\$ 32,281,333	\$ 28,560,941

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

8) OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net 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
Net OPEB liability (asset)	\$ 27,970,153	\$ 32,281,333	\$ 37,613,678

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2025, the City recognized OPEB expense/(credit) of (\$795,546). 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	\$ 2,176,226	\$ -
Changes of Assumptions	2,605,705	12,382,017
Net difference between projected and actual earnings on plan investments	-	45,159
Differences between actual and expected experience	-	1,320,602
Total	\$ 4,781,931	\$ 13,747,778

The \$2,176,226 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2026. 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,	
2026	\$ (3,183,587)
2027	(3,423,363)
2028	(2,117,730)
2029	(980,394)
2030	(1,306,363)
Thereafter	(130,636)

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.

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

9) SELF-INSURANCE PROGRAM - Continued

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, 2025, the internal service fund had a deficit fund balance of \$3,428,892. The deficit fund balance is being addressed by increasing charges made to other City funds in future years.

Workers' Compensation

The City participates in the Workers' Compensation Program through ICRMA and maintains coverage pursuant to the Workers' Compensation Laws of the State of California. The City is self-insured for the first \$500,000 of each claim. Excess insurance is provided through ICRMA from \$500,001 to the statutory limit per insured occurrence.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2025, the amount of these liabilities was \$2,726,020. 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, 2025, the amount of these liabilities was \$2,246,344. 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 2024-25	FY 2023-24	FY 2022-23
Beginning of Year	\$ 4,697,137	\$ 5,145,197	\$ 3,452,690
Claims and Changes in Estimates	1,667,836	849,208	5,500,411
Claim Payments	(1,392,609)	(1,297,268)	(3,807,904)
End of Year	<u>\$ 4,972,364</u>	<u>\$ 4,697,137</u>	<u>\$ 5,145,197</u>

City of San Fernando
Notes to Financial Statements
Year Ended June 30, 2025

10) DEFICIT NET POSITION/FUND BALANCES

The following deficits in non-major governmental funds at June 30, 2025 will be eliminated through the collection of revenues in the future:

	<u>Deficit</u>
Non-major Funds:	
Mall Maintenance Operations	149,803
Recreation	17,909
Operating Grants	1,247,283
Measure H	67,459

11) COMMITMENTS AND CONTINGENCIES

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

Also, the City has received State and Federal funds that are subject to review and audit by the grantor agencies. Such audits could generate expenditure disallowances under terms of the grants; however, it is believed that any such reimbursements will not be significant.

Outstanding construction commitments amounted to approximately \$19.2 million as of June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

City of San Fernando
Required Supplementary Information
Year Ended June 30, 2025

Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30
Last 10 Years*

	Measurement Period		
	2024	2023	2022
Total OPEB Liability			
Service cost	\$ 973,803	\$ 951,859	\$ 1,573,742
Interest on total OPEB liability	1,565,071	1,372,669	924,278
Changes in assumptions	(7,968,814)	3,111,320	(11,402,013)
Changes in benefits	-	-	-
Differences between expected and actual experience	-	(666,232)	-
Benefit payments, including refunds	(1,506,145)	(1,384,566)	(1,443,225)
Net change in total OPEB liability	(6,936,085)	3,385,050	(10,347,218)
Total OPEB liability - beginning	40,325,167	36,940,117	47,287,335
Total OPEB liability - ending (a)	<u>\$ 33,389,082</u>	<u>\$ 40,325,167</u>	<u>\$ 36,940,117</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,510,261	\$ 1,384,566	\$ 1,443,225
Net Investment Income	108,674	-	-
Benefit payments	(1,506,145)	(1,384,566)	(1,443,225)
Administrative Expense	(5,041)	-	-
Net change in plan fiduciary net position	1,107,749	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 1,107,749</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 32,281,333</u>	<u>\$ 40,325,167</u>	<u>\$ 36,940,117</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.3%	0.0%	0.0%
Covered - employee payroll	14,511,060	13,607,060	10,895,730
Net OPEB liability as a percentage of covered-employee payroll	222.46%	296.35%	339.03%

Notes to Schedule of Changes

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. The discount rate was changed from 3.69% to 3.86% for the June 30, 2023 measurement period. The discount rate was changed from 3.86% to 5.50% for the June 30, 2024 Measurement Period.

*OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

City of San Fernando
Required Supplementary Information
For the Year Ended June 30, 2025

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
2024	0.17233%	\$ 20,899,233	\$ 11,827,267	176.70%	87.62%
2023	0.16956%	21,153,018	10,478,106	201.88%	86.53%
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%

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, 2025

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
2025	\$ 3,170,134	\$ (3,170,134)	\$ -	\$ 12,685,521	24.99%
2024	2,583,891	(2,583,891)	-	11,827,267	21.85%
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%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/2019, 6/30/2020, 6/30/2021, 6/30/2022, and 6/30/2023

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 19,696,004	\$ 19,811,004	\$ 20,166,589	\$ 355,585
Licenses and Permits	486,500	457,750	465,208	7,458
Charges for Services	1,118,635	1,152,639	851,335	(301,304)
Fines and Forfeitures	425,000	425,000	630,176	205,176
Investment Earnings	635,000	635,000	1,533,308	898,308
Intergovernmental	3,442,500	3,442,500	3,599,061	156,561
Other	32,500	32,500	14,278	(18,222)
Total Revenues	25,836,139	25,956,393	27,259,955	1,303,562
EXPENDITURES				
Current:				
General Government:				
City Council	268,089	278,089	257,696	20,393
Administration	578,160	591,725	496,025	95,700
Personnel	431,512	439,020	398,152	40,868
City Attorney	244,459	589,832	695,103	(105,271)
City Clerk	319,789	327,309	327,763	(454)
Elections	63,000	60,770	41,634	19,136
Financial Management	805,816	939,234	888,806	50,428
Information Technology	737,171	886,966	699,080	187,886
Retirement and Nondepartmental	1,639,891	1,682,444	1,508,555	173,889
Public Safety:				
Police	10,519,499	10,596,720	11,043,189	(446,469)
Fire	3,350,000	3,350,000	3,185,339	164,661
Community Development	2,282,729	2,409,207	2,287,675	121,532
Public Works	2,529,567	2,665,322	2,368,913	296,409
Parks and Recreation	2,088,191	2,100,759	2,153,082	(52,323)
Capital Outlay	-	-	347	(347)
Debt Service	-	-	24,642	(24,642)
Total Expenditures	25,857,873	26,917,397	26,376,001	541,396
Excess (Deficiency) of Revenues over Expenditures	(21,734)	(961,004)	883,954	1,844,958
OTHER FINANCING SOURCES (USES)				
Transfers In	520,000	570,000	570,000	-
Transfers Out	(459,996)	(472,053)	(295,720)	176,333
Total Other Financing Sources (Uses)	60,004	97,947	274,280	176,333
Net Change in Fund Balances	38,270	(863,057)	1,158,234	2,021,291
Fund Balance, Beginning of Year	10,988,667	10,988,667	10,988,667	-
Fund Balance, End of Year	\$ 11,026,937	\$ 10,125,610	\$ 12,146,901	\$ 2,021,291

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Retirement Tax Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,095,000	\$ 5,095,000	\$ 4,976,735	\$ (118,265)
Investment Earnings	-	-	344,949	344,949
Other	150,000	150,000	191,096	41,096
Total Revenues	5,245,000	5,245,000	5,512,780	267,780
EXPENDITURES				
Current:				
General Government	1,882,500	1,882,500	2,012,711	(130,211)
Public Safety	1,338,274	1,338,274	1,180,497	157,777
Community Development	98,709	98,709	110,430	(11,721)
Public Works	158,802	158,802	171,622	(12,820)
Parks and Recreation	108,327	108,327	131,951	(23,624)
Debt Service:				
Principal	1,040,000	1,040,000	1,040,000	-
Interest and Fiscal Charges	702,518	702,518	702,518	-
Total Expenditures	5,329,130	5,329,130	5,349,729	(20,599)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(84,130)	(84,130)	163,051	247,181
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	117,071	117,071	163,051	45,980
Fund Balance, Beginning of Year	10,916,247	10,916,247	10,916,247	-
Fund Balance, End of Year	<u>\$ 11,033,318</u>	<u>\$ 11,033,318</u>	<u>\$ 11,079,298</u>	<u>\$ 45,980</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - ARPA Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	872,107	385,042	487,065
Public Works	-	99,770	99,770	-
Parks and Recreation	-	2,142	2,142	-
Capital Outlay	-	2,585,468	1,066,176	1,519,292
Total Expenditures	-	3,559,487	1,553,130	2,006,357
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,559,487)	(1,553,130)	2,006,357
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	(256,542)	(256,542)
Total Other Financing Sources (Uses)	-	-	(256,542)	(256,542)
Net Change in Fund Balances	-	(3,559,487)	(1,809,672)	1,749,815
Fund Balance, Beginning of Year	3,559,487	3,559,487	3,559,487	-
Fund Balance, End of Year	<u>\$ 3,559,487</u>	<u>\$ -</u>	<u>\$ 1,749,815</u>	<u>\$ 1,749,815</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Operating Grants Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,901,654	1,144,588	(2,757,066)
Total Revenues	-	3,901,654	1,144,588	(2,757,066)
EXPENDITURES				
Current:				
General Government	10,000	10,000	15,400	(5,400)
Public Safety	11,937	2,098,686	808,138	1,290,548
Community Development	-	576,408	278,267	298,141
Public Works	-	1,266,534	442,752	823,782
Parks and Recreation	8,600	125,598	86,182	39,416
Total Expenditures	30,537	4,077,226	1,630,739	2,446,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,537)	(175,572)	(486,151)	(310,579)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	12,052	12,052
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	12,052	12,052
Net Change in Fund Balances	(30,537)	(175,572)	(474,099)	(298,527)
Fund Balance, Beginning, as Adjusted	(773,184)	(773,184)	(773,184)	-
Fund Balance, End of Year	\$ (803,721)	\$ (948,756)	\$ (1,247,283)	\$ (298,527)

City of San Fernando
Notes to Required Supplementary Information
Year Ended June 30, 2025

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 2024-25, approximately \$1 million in supplemental budget appropriations in the General Fund were approved by the City Council.
- Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Encumbrances at year-end lapse, and then are added to the following year's budgeted appropriations.
- Annual budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with generally accepted accounting principles. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the Proprietary Funds, as the City is not legally required to adopt budgets for this type of fund.
- 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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 4,414,981	\$ 3,842,078	\$ (572,903)
Other	-	-	-
Total Revenues	<u>4,414,981</u>	<u>3,842,078</u>	<u>(572,903)</u>
EXPENDITURES			
Current:			
Public Safety	-	-	-
Public Works	129,745	9,586	120,159
Parks and Recreation	-	599,232	(599,232)
Capital Outlay	<u>26,527,901</u>	<u>2,499,794</u>	<u>24,028,107</u>
Total Expenditures	<u>26,657,646</u>	<u>3,108,612</u>	<u>23,549,034</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,242,665)</u>	<u>733,466</u>	<u>22,976,131</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(22,242,665)	733,466	22,976,131
Fund Balance, Beginning of Year	<u>(7,224,163)</u>	<u>(7,224,163)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (29,466,828)</u>	<u>\$ (6,490,697)</u>	<u>\$ 22,976,131</u>

City of San Fernando
Other Governmental Funds
June 30, 2025

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, 2025

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.

Measure H - Accounts for revenues from the County-wide parcel tax that provides local, dedicated funding for the specific purposes of funding homeless services and short-term housing.

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

CAPITAL PROJECTS 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, 2025

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety
ASSETS					
Cash and Investments	\$ 320,401	\$ -	\$ 639,803	\$ 23,117	\$ 17,708
Restricted Cash and Investments	2,564	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	54
Grants	-	-	-	-	-
Leases	-	-	-	-	-
Loans	-	-	-	-	-
Total Assets	\$ 322,965	\$ -	\$ 639,803	\$ 23,117	\$ 17,762
LIABILITIES					
Accounts Payable	\$ 8,579	\$ 156	\$ 75,191	\$ -	\$ 12,500
Accrued Liabilities	203	562	2,818	-	43
Deposits	26	-	-	-	-
Due to Other Funds	-	149,085	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
Total Liabilities	8,808	149,803	78,009	-	12,543
DEFERRED INFLOWS					
Lease Related	-	-	-	-	-
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
FUND BALANCES					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	314,157	-	561,794	23,117	5,219
Housing	-	-	-	-	-
Air Pollution	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	(149,803)	-	-	-
Total Fund Balances	314,157	(149,803)	561,794	23,117	5,219
Total Liabilities, Deferred Inflows and Fund Balances	\$ 322,965	\$ -	\$ 639,803	\$ 23,117	\$ 17,762

Parking Maintenance and Operations	Local Transportation	Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax
\$ 238,350	\$ 5,267	\$ 9,174	\$ 36,888	\$ 577,905	\$ 334	\$ 24,411
-	-	-	-	-	-	-
3,882	-	-	-	10,543	-	56,130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
151,228	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 393,460</u>	<u>\$ 5,267</u>	<u>\$ 9,174</u>	<u>\$ 36,888</u>	<u>\$ 588,448</u>	<u>\$ 334</u>	<u>\$ 80,541</u>
\$ 36,035	\$ 5,267	\$ 8,911	\$ -	\$ 54,796	\$ -	\$ -
5,796	-	18,172	152	5,045	-	-
1,067	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>42,898</u>	<u>5,267</u>	<u>27,083</u>	<u>152</u>	<u>59,841</u>	<u>-</u>	<u>-</u>
150,164	-	-	-	-	-	-
2,248	-	-	-	-	-	-
<u>152,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	80,541
-	-	-	-	-	-	-
-	-	-	36,736	-	-	-
-	-	-	-	528,607	334	-
-	-	-	-	-	-	-
198,150	-	-	-	-	-	-
-	-	(17,909)	-	-	-	-
<u>198,150</u>	<u>-</u>	<u>(17,909)</u>	<u>36,736</u>	<u>528,607</u>	<u>334</u>	<u>80,541</u>
<u>\$ 393,460</u>	<u>\$ 5,267</u>	<u>\$ 9,174</u>	<u>\$ 36,888</u>	<u>\$ 588,448</u>	<u>\$ 334</u>	<u>\$ 80,541</u>

Continued

City of San Fernando
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2025

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management	Proposition C
ASSETS					
Cash and Investments	\$ 188	\$ 190,014	\$ 539,791	\$ 14,902	\$ 682,995
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Taxes	-	8,230	-	-	-
Accounts	-	-	-	-	-
Grants	-	-	-	-	-
Leases	-	-	-	-	-
Loans	-	-	-	-	-
Total Assets	\$ 188	\$ 198,244	\$ 539,791	\$ 14,902	\$ 682,995
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 31,919
Accrued Liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	-
Total Liabilities	-	-	-	-	31,919
DEFERRED INFLOWS					
Lease Related	-	-	-	-	-
Unavailable Revenues - Grants	-	8,230	-	-	-
	-	8,230	-	-	-
FUND BALANCES					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	-	-	539,791	14,902	651,076
Housing	-	-	-	-	-
Air Pollution	-	190,014	-	-	-
Parks and Recreation	-	-	-	-	-
Public Safety	188	-	-	-	-
Community Development	-	-	-	-	-
Parking	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	188	190,014	539,791	14,902	651,076
Total Liabilities, Deferred Inflows and Fund Balances	\$ 188	\$ 198,244	\$ 539,791	\$ 14,902	\$ 682,995

<u>Community Development Block Grant</u>	<u>Community Development Surcharge</u>	<u>STP Local Fund</u>	<u>SLESF</u>	<u>Measure M</u>	<u>Road Maintenance & Rehab</u>
\$ -	\$ 316,231	\$ 267,795	\$ 260,635	\$ 407,237	\$ 554,496
-	-	-	-	-	-
-	-	-	-	-	113,759
-	430	-	101,537	-	-
224,247	-	-	-	-	-
-	-	-	-	-	-
227,471	-	-	-	-	-
<u>\$ 451,718</u>	<u>\$ 316,661</u>	<u>\$ 267,795</u>	<u>\$ 362,172</u>	<u>\$ 407,237</u>	<u>\$ 668,255</u>
\$ 16,027	\$ 29,759	\$ -	\$ -	\$ 44,031	\$ 288
-	9,989	-	227	-	-
-	-	-	-	-	-
208,216	-	-	-	-	-
-	-	-	-	-	-
227,471	-	-	-	-	-
<u>451,714</u>	<u>39,748</u>	<u>-</u>	<u>227</u>	<u>44,031</u>	<u>288</u>
-	-	-	-	-	-
-	-	-	101,537	-	-
-	-	-	101,537	-	-
-	-	-	-	-	-
-	-	267,795	-	363,206	667,967
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	260,408	-	-
4	276,913	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4</u>	<u>276,913</u>	<u>267,795</u>	<u>260,408</u>	<u>363,206</u>	<u>667,967</u>
<u>\$ 451,718</u>	<u>\$ 316,661</u>	<u>\$ 267,795</u>	<u>\$ 362,172</u>	<u>\$ 407,237</u>	<u>\$ 668,255</u>

Continued

City of San Fernando
Combining Balance Sheet
Other Governmental Funds - Continued
June 30, 2025

	Measure W	Measure H	Housing	Capital Outlay	Total
ASSETS					
Cash and Investments	\$ 751,425	\$ -	\$ 2,162,399	\$ 464,645	\$ 8,506,111
Restricted Cash and Investments	-	-	-	-	2,564
Receivables:					
Taxes	-	-	-	-	192,544
Accounts	-	-	-	-	102,021
Grants	-	67,459	-	-	291,706
Leases	-	-	-	-	151,228
Loans	-	-	1,261,778	-	1,489,249
Total Assets	\$ 751,425	\$ 67,459	\$ 3,424,177	\$ 464,645	\$ 10,735,423
LIABILITIES					
Accounts Payable	\$ 6,104	\$ 2,040	\$ -	\$ 12,688	\$ 344,291
Accrued Liabilities	-	1,434	622	-	45,063
Deposits	-	-	-	-	1,093
Due to Other Funds	-	63,985	-	-	421,286
Unearned Revenue	-	-	-	-	-
Due to Other Agencies	-	-	-	-	227,471
Total Liabilities	6,104	67,459	622	12,688	1,039,204
DEFERRED INFLOWS					
Lease Related	-	-	-	-	150,164
Unavailable Revenues - Grants	-	67,459	-	-	179,474
	-	67,459	-	-	329,638
FUND BALANCES					
Prepaid Items	-	-	-	-	-
Restricted for:					
Transportation	745,321	-	-	-	4,234,886
Housing	-	-	3,423,555	-	3,423,555
Air Pollution	-	-	-	-	190,014
Parks and Recreation	-	-	-	-	36,736
Public Safety	-	-	-	-	789,537
Community Development	-	-	-	451,957	728,874
Parking	-	-	-	-	198,150
Unassigned	-	(67,459)	-	-	(235,171)
Total Fund Balances	745,321	(67,459)	3,423,555	451,957	9,366,581
Total Liabilities, Deferred Inflows and Fund Balances	\$ 751,425	\$ 67,459	\$ 3,424,177	\$ 464,645	\$ 10,735,423

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City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2025

	Measure R	Mall Maintenance Operations	Proposition A Local Transit	Proposition C Discretionary	Traffic Safety
REVENUES					
Taxes	\$ 383,313	\$ 41,328	\$ 616,269	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	235	-	-
Fines and Forfeitures	-	-	-	-	2,915
Investment Earnings	21,030	-	25,800	1,038	-
Intergovernmental	-	-	-	-	-
Total Revenues	404,343	41,328	642,304	1,038	2,915
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	12,500
Community Development	-	-	-	-	-
Public Works	2,814	35,007	488,037	-	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	310,982	-	-	-	-
Debt Service:					
Principal	105,000	-	-	-	-
Interest and Fiscal Charges	72,438	-	-	-	-
Total Expenditures	491,234	35,007	488,037	-	12,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,891)	6,321	154,267	1,038	(9,585)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(86,891)	6,321	154,267	1,038	(9,585)
Fund Balances, Beginning of Year, as Previously Reported	401,048	(156,124)	407,527	22,079	14,804
Change within Financial Reporting Entity	-	-	-	-	-
Fund Balances, Beginning, as Adjusted	401,048	(156,124)	407,527	22,079	14,804
Fund Balances, End of Year	\$ 314,157	\$ (149,803)	\$ 561,794	\$ 23,117	\$ 5,219

Parking Maintenance and Operations	Local Transportation	Recreation	Quimby Act Fees	Street Lighting	State Asset Forfeiture	State Gas Tax
\$ -	\$ -	\$ -	\$ -	\$ 336,259	\$ -	\$ -
-	-	-	-	-	-	-
187,687	-	181,081	-	-	-	-
-	-	-	-	-	-	-
44,068	71	-	1,657	-	15	-
-	84	-	-	-	-	661,497
<u>231,755</u>	<u>155</u>	<u>181,081</u>	<u>1,657</u>	<u>336,259</u>	<u>15</u>	<u>661,497</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
284,242	-	-	-	314,857	-	283,226
-	-	198,449	-	-	-	-
106,056	5,267	5,586	-	-	-	140,174
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>390,298</u>	<u>5,267</u>	<u>204,035</u>	<u>-</u>	<u>314,857</u>	<u>-</u>	<u>423,400</u>
<u>(158,543)</u>	<u>(5,112)</u>	<u>(22,954)</u>	<u>1,657</u>	<u>21,402</u>	<u>15</u>	<u>238,097</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	(250,000)
-	-	-	-	-	-	(250,000)
<u>(158,543)</u>	<u>(5,112)</u>	<u>(22,954)</u>	<u>1,657</u>	<u>21,402</u>	<u>15</u>	<u>(11,903)</u>
356,693	5,112	5,045	35,079	507,205	319	92,444
-	-	-	-	-	-	-
<u>356,693</u>	<u>5,112</u>	<u>5,045</u>	<u>35,079</u>	<u>507,205</u>	<u>319</u>	<u>92,444</u>
<u>\$ 198,150</u>	<u>\$ -</u>	<u>\$ (17,909)</u>	<u>\$ 36,736</u>	<u>\$ 528,607</u>	<u>\$ 334</u>	<u>\$ 80,541</u>

Continued

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2025

	Federal Asset Forfeiture	AQMD	Cash-in-Lieu of Parking	Pavement Management	Proposition C
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 511,179
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	8	9,218	24,246	670	24,351
Intergovernmental	-	31,187	-	-	-
Total Revenues	8	40,405	24,246	670	535,530
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	241,264
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	60,649	-	-	90,972
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	-	60,649	-	-	332,236
Excess (Deficiency) of Revenues Over (Under) Expenditures	8	(20,244)	24,246	670	203,294
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	8	(20,244)	24,246	670	203,294
Fund Balances, Beginning of Year, as Previously Reported	180	210,258	515,545	14,232	447,782
Change within Financial Reporting Entity	-	-	-	-	-
Fund Balances, Beginning, as Adjusted	180	210,258	515,545	14,232	447,782
Fund Balances, End of Year	\$ 188	\$ 190,014	\$ 539,791	\$ 14,902	\$ 651,076

Community Development Block Grant	Community Development Surcharge	Formerly non-major Operating Grants	STP Local Fund	SLESF	Measure M	Road Maintenance & Rehab
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,281	\$ -
-	-	-	-	-	-	-
-	50,998	-	-	-	-	-
-	-	-	-	-	-	-
-	11,442	-	12,029	12,918	33,342	27,977
224,247	24,016	-	-	194,663	-	645,551
224,247	86,456	-	12,029	207,581	467,623	673,528
-	-	-	-	-	-	-
198,610	-	-	-	227	-	-
-	31,073	-	-	-	-	-
25,637	-	-	-	-	-	-
-	-	-	-	-	837,762	792,088
-	-	-	-	-	-	-
-	-	-	-	-	-	-
224,247	31,073	-	-	227	837,762	792,088
-	55,383	-	12,029	207,354	(370,139)	(118,560)
-	-	-	-	-	-	-
-	-	-	-	(200,000)	-	-
-	-	-	-	(200,000)	-	-
-	55,383	-	12,029	7,354	(370,139)	(118,560)
4	221,530	(773,184)	255,766	253,054	733,345	786,527
-	-	773,184	-	-	-	-
4	221,530	-	255,766	253,054	733,345	786,527
\$ 4	\$ 276,913	\$ -	\$ 267,795	\$ 260,408	\$ 363,206	\$ 667,967

Continued

City of San Fernando
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds - Continued
Year Ended June 30, 2025

	Measure W	Measure H	Housing	Capital Outlay	Total
REVENUES					
Taxes	\$ 277,559	\$ -	\$ -	\$ -	\$ 2,600,188
Licenses and Permits	-	-	-	-	-
Charges for Services	-	-	-	-	420,001
Fines and Forfeitures	-	-	-	-	2,915
Investment Earnings	31,877	-	98,392	-	380,149
Intergovernmental	-	-	-	-	1,781,245
Total Revenues	309,436	-	98,392	-	5,184,498
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	12,727
Community Development	-	62,117	31,878	-	292,605
Public Works	152,513	-	-	-	1,833,033
Parks and Recreation	-	-	-	-	224,086
Capital Outlay	-	-	-	137,546	2,487,082
Debt Service:					
Principal	-	-	-	-	105,000
Interest and Fiscal Charges	-	-	-	-	72,438
Total Expenditures	152,513	62,117	31,878	137,546	5,026,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	156,923	(62,117)	66,514	(137,546)	157,527
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(450,000)
Total Other Financing Sources (Uses)	-	-	-	-	(450,000)
Net Change in Fund Balances	156,923	(62,117)	66,514	(137,546)	(292,473)
Fund Balances, Beginning of Year, as Previously Reported	588,398	(5,342)	3,357,041	589,503	8,885,870
Change within Financial Reporting Entity	-	-	-	-	773,184
Fund Balances, Beginning, as Adjusted	588,398	(5,342)	3,357,041	589,503	9,659,054
Fund Balances, End of Year	\$ 745,321	\$ (67,459)	\$ 3,423,555	\$ 451,957	9,366,581

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Measure R Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u>Final</u>	Variance with Final Budget <u>Final</u>
REVENUES			
Taxes	\$ 410,969	\$ 383,313	\$ (27,656)
Investment Earnings	-	21,030	21,030
	<u>410,969</u>	<u>404,343</u>	<u>(6,626)</u>
EXPENDITURES			
Current:			
Public Works	4,525	2,814	1,711
Capital Outlay	579,468	310,982	268,486
Debt Service:			
Principal	105,000	105,000	-
Interest and Fiscal Charges	72,438	72,438	-
	<u>761,431</u>	<u>491,234</u>	<u>270,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,462)	(86,891)	263,571
Fund Balance, Beginning of Year	<u>401,048</u>	<u>401,048</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 50,586</u>	<u>\$ 314,157</u>	<u>\$ 263,571</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Mall Maintenance Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ 60,000	\$ 41,328	\$ (18,672)
Total Revenues	60,000	41,328	(18,672)
EXPENDITURES			
Current:			
Public Works	-	35,007	(35,007)
Total Expenditures	-	35,007	(35,007)
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,000	6,321	(53,679)
Fund Balance, Beginning of Year	(156,124)	(156,124)	-
Fund Balance, End of Year	\$ (96,124)	\$ (149,803)	\$ (53,679)

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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 660,610	\$ 616,269	\$ (44,341)
Charges for Services	1,500	235	(1,265)
Investment Earnings	-	25,800	25,800
	<u>662,110</u>	<u>642,304</u>	<u>(19,806)</u>
Total Revenues			
EXPENDITURES			
Current:			
Public Works	<u>656,083</u>	<u>488,037</u>	<u>168,046</u>
Total Expenditures	<u>656,083</u>	<u>488,037</u>	<u>168,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,027	154,267	148,240
Fund Balance, Beginning of Year	<u>407,527</u>	<u>407,527</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 413,554</u>	<u>\$ 561,794</u>	<u>\$ 148,240</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 1,038	\$ 1,038
Intergovernmental	-	-	-
Total Revenues	<u>-</u>	<u>1,038</u>	<u>1,038</u>
EXPENDITURES			
Capital Outlay	<u>775,376</u>	<u>-</u>	<u>775,376</u>
Total Expenditures	<u>775,376</u>	<u>-</u>	<u>775,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(775,376)	1,038	776,414
Fund Balance, Beginning of Year	<u>22,079</u>	<u>22,079</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (753,297)</u></u>	<u><u>\$ 23,117</u></u>	<u><u>\$ 776,414</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Traffic Safety Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Fines and Forfeitures	\$ 2,000	\$ 2,915	\$ 915
Total Revenues	<u>2,000</u>	<u>2,915</u>	<u>915</u>
EXPENDITURES			
Current:			
Public Works	12,500	12,500	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,500)	(9,585)	915
Fund Balance, Beginning of Year	<u>14,804</u>	<u>14,804</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,304</u>	<u>\$ 5,219</u>	<u>\$ 915</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	184,000	187,687	3,687
Investment Earnings	26,050	44,068	18,018
Other	-	-	-
	<u>210,050</u>	<u>231,755</u>	<u>21,705</u>
EXPENDITURES			
Current:			
Public Works	264,820	284,242	(19,422)
Capital Outlay	150,000	106,056	43,944
	<u>414,820</u>	<u>390,298</u>	<u>24,522</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(204,770)	(158,543)	46,227
Fund Balance, Beginning of Year	<u>356,693</u>	<u>356,693</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 151,923</u>	<u>\$ 198,150</u>	<u>\$ 46,227</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 71	\$ 71
Intergovernmental	40,435	84	(40,351)
Total Revenues	<u>40,435</u>	<u>155</u>	<u>(40,280)</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	37,935	5,267	32,668
Total Expenditures	<u>37,935</u>	<u>5,267</u>	<u>32,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500	(5,112)	(7,612)
Fund Balance, Beginning of Year	<u>5,112</u>	<u>5,112</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 7,612</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,612)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Recreation Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for Services	\$ 252,800	\$ 181,081	\$ (71,719)
Total Revenues	<u>252,800</u>	<u>181,081</u>	<u>(71,719)</u>
EXPENDITURES			
Current:			
Parks and Recreation	226,602	198,449	28,153
Capital Outlay	<u>12,010</u>	<u>5,586</u>	<u>6,424</u>
Total Expenditures	<u>238,612</u>	<u>204,035</u>	<u>34,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,188</u>	<u>(22,954)</u>	<u>(37,142)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	14,188	(22,954)	(37,142)
Fund Balance, Beginning of Year	<u>5,045</u>	<u>5,045</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 19,233</u>	<u>\$ (17,909)</u>	<u>\$ (37,142)</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ -	\$ -	-
Investment Earnings	-	1,657	1,657
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>1,657</u>	<u>1,657</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	-	1,657	1,657
Fund Balance, Beginning of Year	<u>35,079</u>	<u>35,079</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 35,079</u>	<u>\$ 36,736</u>	<u>\$ 1,657</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Street Lighting Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	<u>\$ 325,000</u>	<u>\$ 336,259</u>	<u>\$ 11,259</u>
Total Revenues	<u>325,000</u>	<u>336,259</u>	<u>11,259</u>
EXPENDITURES			
Current:			
Public Works	<u>230,424</u>	<u>314,857</u>	<u>(84,433)</u>
Total Expenditures	<u>230,424</u>	<u>314,857</u>	<u>(84,433)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>94,576</u>	<u>21,402</u>	<u>(73,174)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>94,576</u>	<u>21,402</u>	<u>(73,174)</u>
Fund Balance, Beginning of Year	<u>507,205</u>	<u>507,205</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 601,781</u></u>	<u><u>\$ 528,607</u></u>	<u><u>\$ (73,174)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Asset Forfeiture Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	-	15	15
Total Revenues	<u>-</u>	<u>15</u>	<u>15</u>
EXPENDITURES			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	15	15
Fund Balance, Beginning of Year	<u>319</u>	<u>319</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 319</u></u>	<u><u>\$ 334</u></u>	<u><u>\$ 15</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 656,813	\$ 661,497	\$ 4,684
Total Revenues	<u>656,813</u>	<u>661,497</u>	<u>4,684</u>
EXPENDITURES			
Current:			
Public Works	280,025	283,226	(3,201)
Capital Outlay	<u>144,243</u>	<u>140,174</u>	<u>4,069</u>
Total Expenditures	<u>424,268</u>	<u>423,400</u>	<u>868</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>232,545</u>	<u>238,097</u>	<u>5,552</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	(17,455)	(11,903)	5,552
Fund Balance, Beginning of Year	<u>92,444</u>	<u>92,444</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 74,989</u>	<u>\$ 80,541</u>	<u>\$ 5,552</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Fines and Forfeitures	\$ -	\$ -	\$ -
Investment Earnings	-	8	8
Total Revenues	<u>-</u>	<u>8</u>	<u>8</u>
EXPENDITURES			
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	8	8
Fund Balance, Beginning of Year	<u>180</u>	<u>180</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 180</u></u>	<u><u>\$ 188</u></u>	<u><u>\$ 8</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - AQMD Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Earnings	\$ -	\$ 9,218	\$ 9,218
Intergovernmental	30,000	31,187	1,187
Total Revenues	<u>30,000</u>	<u>40,405</u>	<u>10,405</u>
EXPENDITURES			
Current:			
Public Works	-	-	-
Capital Outlay	<u>65,000</u>	<u>60,649</u>	<u>4,351</u>
Total Expenditures	<u>65,000</u>	<u>60,649</u>	<u>4,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,000)	(20,244)	14,756
Fund Balance, Beginning of Year	<u>210,258</u>	<u>210,258</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 175,258</u></u>	<u><u>\$ 190,014</u></u>	<u><u>\$ 14,756</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 24,246	\$ 24,246
Other	-	-	-
Total Revenues	<u>-</u>	<u>24,246</u>	<u>24,246</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	24,246	24,246
Fund Balance, Beginning of Year	<u>515,545</u>	<u>515,545</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 515,545</u></u>	<u><u>\$ 539,791</u></u>	<u><u>\$ 24,246</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Pavement Management Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Investment Earnings	\$ -	\$ 670	\$ 670
Total Revenues	<u>-</u>	<u>670</u>	<u>670</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	-	670	670
Fund Balance, Beginning of Year	<u>14,232</u>	<u>14,232</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 14,232</u></u>	<u><u>\$ 14,902</u></u>	<u><u>\$ 670</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ 547,959	\$ 511,179	\$ (36,780)
Investment Earnings	-	24,351	24,351
	<u>547,959</u>	<u>535,530</u>	<u>(12,429)</u>
EXPENDITURES			
Current:			
Public Works	241,264	241,264	-
Capital Outlay	829,219	90,972	738,247
	<u>1,070,483</u>	<u>332,236</u>	<u>738,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(522,524)	203,294	725,818
Fund Balance, Beginning of Year	<u>447,782</u>	<u>447,782</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (74,742)</u>	<u>\$ 651,076</u>	<u>\$ 725,818</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 235,800	\$ 224,247	\$ (11,553)
Total Revenues	<u>235,800</u>	<u>224,247</u>	<u>(11,553)</u>
EXPENDITURES			
Current:			
Community Development	210,110	198,610	11,500
Public Works	-	-	-
Parks and Recreation	25,690	25,637	53
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>235,800</u>	<u>224,247</u>	<u>11,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balance, Beginning of Year	<u>4</u>	<u>4</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4</u>	<u>\$ 4</u>	<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, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for Services	\$ 50,000	\$ 50,998	\$ 998
Investment Earnings	-	11,442	11,442
Intergovernmental	22,000	24,016	2,016
	<u>72,000</u>	<u>86,456</u>	<u>14,456</u>
EXPENDITURES			
Current:			
Community Development	-	-	-
Public Works	40,352	31,073	9,279
	<u>40,352</u>	<u>31,073</u>	<u>9,279</u>
Total Expenditures			
	<u>40,352</u>	<u>31,073</u>	<u>9,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,648	55,383	23,735
Fund Balance, Beginning of Year	221,530	221,530	-
Fund Balance, End of Year	<u>\$ 253,178</u>	<u>\$ 276,913</u>	<u>\$ 23,735</u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - STP Local Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Earnings	\$ -	\$ 12,029	\$ 12,029
Intergovernmental	-	-	-
Total Revenues	<u>-</u>	<u>12,029</u>	<u>12,029</u>
EXPENDITURES			
Capital Outlay	<u>168,246</u>	<u>-</u>	<u>168,246</u>
Total Expenditures	<u>168,246</u>	<u>-</u>	<u>168,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,246)	12,029	180,275
Fund Balance, Beginning of Year	<u>255,766</u>	<u>255,766</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 87,520</u></u>	<u><u>\$ 267,795</u></u>	<u><u>\$ 180,275</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, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 12,918	\$ 12,918
Intergovernmental	150,000	194,663	44,663
Total Revenues	150,000	207,581	57,581
EXPENDITURES			
Current:			
Public Safety	-	227	(227)
Total Expenditures	-	227	(227)
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,000	207,354	57,354
OTHER FINANCING SOURCES (USES)			
Transfers Out	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(200,000)	(200,000)	-
Net Change in Fund Balances	(50,000)	7,354	57,354
Fund Balance, Beginning of Year	253,054	253,054	-
Fund Balance, End of Year	\$ 203,054	\$ 260,408	\$ 57,354

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure M Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 465,765	\$ 434,281	\$ (31,484)
Investment Earnings	-	33,342	33,342
Total Revenues	<u>465,765</u>	<u>467,623</u>	<u>1,858</u>
EXPENDITURES			
Capital Outlay	<u>990,300</u>	<u>837,762</u>	<u>152,538</u>
Total Expenditures	<u>990,300</u>	<u>837,762</u>	<u>152,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(524,535)	(370,139)	154,396
Fund Balance, Beginning of Year	<u>733,345</u>	<u>733,345</u>	
Fund Balance, End of Year	<u><u>\$ 208,810</u></u>	<u><u>\$ 363,206</u></u>	<u><u>\$ 154,396</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, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Earnings	\$ -	\$ 27,977	\$ 27,977
Intergovernmental	605,208	645,551	40,343
Total Revenues	<u>605,208</u>	<u>673,528</u>	<u>68,320</u>
EXPENDITURES			
Capital Outlay	1,295,469	792,088	503,381
Total Expenditures	<u>1,295,469</u>	<u>792,088</u>	<u>503,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(690,261)	(118,560)	571,701
Fund Balance, Beginning of Year	<u>786,527</u>	<u>786,527</u>	
Fund Balance, End of Year	<u><u>\$ 96,266</u></u>	<u><u>\$ 667,967</u></u>	<u><u>\$ 571,701</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, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 275,000	277,559	\$ 2,559
Investment Earnings	-	31,877	31,877
Total Revenues	<u>275,000</u>	<u>309,436</u>	<u>34,436</u>
EXPENDITURES			
Current:			
Public Works	181,047	152,513	28,534
Capital Outlay	<u>412,000</u>	<u>-</u>	<u>412,000</u>
Total Expenditures	<u>593,047</u>	<u>152,513</u>	<u>440,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(318,047)	156,923	474,970
Fund Balance, Beginning of Year	<u>588,398</u>	<u>588,398</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 270,351</u></u>	<u><u>\$ 745,321</u></u>	<u><u>\$ 474,970</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure H Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 54,837	\$ -	\$ (54,837)
Investment Earnings	-	-	-
Total Revenues	<u>54,837</u>	<u>-</u>	<u>(54,837)</u>
EXPENDITURES			
Current:			
Housing	<u>64,837</u>	<u>62,117</u>	<u>2,720</u>
Total Expenditures	<u>64,837</u>	<u>62,117</u>	<u>2,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(62,117)	(52,117)
Fund Balance, Beginning of Year	<u>(5,342)</u>	<u>(5,342)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (15,342)</u></u>	<u><u>\$ (67,459)</u></u>	<u><u>\$ (52,117)</u></u>

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing Fund
Year Ended June 30, 2025

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ 98,392	\$ 98,392
Total Revenues	-	98,392	98,392
EXPENDITURES			
Current:			
Community Development	107,009	31,878	75,131
Total Expenditures	107,009	31,878	75,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,009)	66,514	173,523
Fund Balance, Beginning of Year	3,357,041	3,357,041	-
Fund Balance, End of Year	\$ 3,250,032	\$ 3,423,555	\$ 173,523

City of San Fernando
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Outlay Fund
Year Ended June 30, 2025

	Budgeted Amounts <u>Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Outlay	533,155	137,546	395,609
Total Expenditures	<u>533,155</u>	<u>137,546</u>	<u>395,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(533,155)</u>	<u>(137,546)</u>	<u>395,609</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(533,155)	(137,546)	395,609
Fund Balance, Beginning of Year	<u>589,503</u>	<u>589,503</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 56,348</u>	<u>\$ 451,957</u>	<u>\$ 395,609</u>

NONMAJOR ENTERPRISE FUNDS

City of San Fernando
Nonmajor Enterprise Funds
June 30, 2025

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, 2025

	Compressed Natural Gas	Waste Disposal	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 121,173	\$ 38,170	\$ 159,343
Total Current Assets	121,173	38,170	159,343
Noncurrent Assets:			
Capital Assets:			
Equipment	-	53,657	53,657
Accumulated Depreciation	-	(53,657)	(53,657)
Total Noncurrent Assets	-	-	-
Total Assets	121,173	38,170	159,343
LIABILITIES			
Current Liabilities:			
Accounts Payable	982	346	1,328
Accrued Liabilities	1,369	-	1,369
Total Current Liabilities	2,351	346	2,697
NET POSITION			
Net Investment In Capital Assets	-	-	-
Unrestricted	118,822	37,824	156,646
Total Net Position	\$ 118,822	\$ 37,824	\$ 156,646

City of San Fernando
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2025

	<u>Compressed Natural Gas</u>	<u>Waste Disposal</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services	\$ 125,639	\$ -	\$ 125,639
Other	10,727	-	10,727
	<u>136,366</u>	<u>-</u>	<u>136,366</u>
OPERATING EXPENSES			
Administration and General	91,217	-	91,217
Maintenance and Operations	94,674	1,224	95,898
Depreciation	-	-	-
	<u>185,891</u>	<u>1,224</u>	<u>187,115</u>
Total Operating Expenses	185,891	1,224	187,115
Operating Income (Loss)	<u>(49,525)</u>	<u>(1,224)</u>	<u>(50,749)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	8,850	1,962	10,812
	<u>8,850</u>	<u>1,962</u>	<u>10,812</u>
Total Nonoperating Revenues (Expenses)	8,850	1,962	10,812
Income (Loss) Before Transfers	(40,675)	738	(39,937)
Transfers In	-	-	-
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(40,675)	738	(39,937)
Net Position, Beginning of Year	159,497	37,086	196,583
Net Position, End of Year	<u>\$ 118,822</u>	<u>\$ 37,824</u>	<u>\$ 156,646</u>

City of San Fernando
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2025

	Compressed Natural Gas	Waste Disposal	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 125,639	\$ -	\$ 125,639
Payments to Suppliers and Contractors	(139,415)	(7,345)	(146,760)
Payments to Employees	(91,217)	-	(91,217)
Other Operating Income	10,727	-	10,727
	<u>(94,266)</u>	<u>(7,345)</u>	<u>(101,611)</u>
Net Cash from Operating Activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash from Noncapital Financing Activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	8,850	1,962	10,812
	<u>8,850</u>	<u>1,962</u>	<u>10,812</u>
Net Increase (Decrease) in Cash			
	(85,416)	(5,383)	(90,799)
	<u>(85,416)</u>	<u>(5,383)</u>	<u>(90,799)</u>
Cash and Cash Equivalents - Beginning of Year			
	206,589	43,553	250,142
	<u>206,589</u>	<u>43,553</u>	<u>250,142</u>
Cash and Cash Equivalents - End of Year			
	<u>\$ 121,173</u>	<u>\$ 38,170</u>	<u>\$ 159,343</u>
 Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	\$ (49,525)	\$ (1,224)	\$ (50,749)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	-	-
Increase (Decrease) in Accounts Payable	(44,741)	(6,121)	(50,862)
	<u>(44,741)</u>	<u>(6,121)</u>	<u>(50,862)</u>
Net Cash Provided by Operating Activities			
	<u>\$ (94,266)</u>	<u>\$ (7,345)</u>	<u>\$ (101,611)</u>

INTERNAL SERVICE FUNDS

City of San Fernando
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Governmental Activities			Totals
	Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	
ASSETS				
Current Assets:				
Cash and Investments	\$ 1,230,109	\$ -	\$ 1,641,844	\$ 2,871,953
Accounts Receivable	-	1,003	63,742	64,745
Inventory	35,156	-	-	35,156
Total Current Assets	<u>1,265,265</u>	<u>1,003</u>	<u>1,705,586</u>	<u>2,971,854</u>
Noncurrent Assets:				
Capital Assets - Buildings	-	251,265	-	251,265
Capital Assets - Equipment	942,839	193,714	-	1,136,553
Less: Accumulated Depreciation	(396,494)	(145,680)	-	(542,174)
Total Noncurrent Assets	<u>546,345</u>	<u>299,299</u>	<u>-</u>	<u>845,644</u>
Total Assets	<u>1,811,610</u>	<u>300,302</u>	<u>1,705,586</u>	<u>3,817,498</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	251,603	112,838	-	364,441
Accrued Liabilities	8,825	39,355	-	48,180
Due to Other Funds	-	370,249	-	370,249
Lease Payable - Current	128,281	-	-	128,281
Insurance Assessment Payable - Current	-	-	81,057	81,057
Claims Payable - Current	-	-	1,299,492	1,299,492
Total Current Liabilities	<u>388,709</u>	<u>522,442</u>	<u>1,380,549</u>	<u>2,291,700</u>
Noncurrent Liabilities:				
Leases Payable	152,477	-	-	152,477
Insurance Assessment Payable	-	-	81,057	81,057
Claims Payable	-	-	3,672,872	3,672,872
Total Noncurrent Liabilities	<u>152,477</u>	<u>-</u>	<u>3,753,929</u>	<u>3,906,406</u>
Total Liabilities	<u>541,186</u>	<u>522,442</u>	<u>5,134,478</u>	<u>6,198,106</u>
NET POSITION				
Net Investment In Capital Assets	265,587	299,299	-	564,886
Unrestricted	1,004,837	(521,439)	(3,428,892)	(2,945,494)
Total Net Position	<u>\$ 1,270,424</u>	<u>\$ (222,140)</u>	<u>\$ (3,428,892)</u>	<u>\$ (2,380,608)</u>

City of San Fernando
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2025

	Governmental Activities			Totals
	Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	
OPERATING REVENUES				
Charges for Services	\$ 837,860	\$ 1,507,455	\$ 2,383,242	\$ 4,728,557
Other	18,348	-	4,370	22,718
 Total Operating Revenues	 <u>856,208</u>	 <u>1,507,455</u>	 <u>2,387,612</u>	 <u>4,751,275</u>
OPERATING EXPENSES				
Administration and General	259,267	1,642,260	3,261,419	5,162,946
Maintenance and Operations	304,716	268,105	-	572,821
Depreciation	260,107	46,850	-	306,957
 Total Operating Expenses	 <u>824,090</u>	 <u>1,957,215</u>	 <u>3,261,419</u>	 <u>6,042,724</u>
 Operating Income (Loss)	 <u>32,118</u>	 <u>(449,760)</u>	 <u>(873,807)</u>	 <u>(1,291,449)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	49,179	-	73,281	122,460
Interest Expense	(8,303)	-	-	(8,303)
 Total Nonoperating Revenues (Expenses)	 <u>40,876</u>	 <u>-</u>	 <u>73,281</u>	 <u>114,157</u>
 Income (Loss) Before Transfers	 72,994	 (449,760)	 (800,526)	 (1,177,292)
Transfers In	100,000	148,668	145,000	393,668
Transfers Out	-	-	-	-
 Change in Net Position	 172,994	 (301,092)	 (655,526)	 (783,624)
 Net Position, Beginning of Year	 <u>1,097,430</u>	 <u>78,952</u>	 <u>(2,773,366)</u>	 <u>(1,596,984)</u>
 Net Position, End of Year	 <u>\$ 1,270,424</u>	 <u>\$ (222,140)</u>	 <u>\$ (3,428,892)</u>	 <u>\$ (2,380,608)</u>

City of San Fernando
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025

	Governmental Activities			Totals
	Internal Service Funds			
	Equipment Replacement	Facilities Maintenance	Self Insurance	
Cash Flows from Operating Activities				
Cash Received from Interfund Services Provided	\$ 837,860	\$ 1,508,264	\$ 2,410,580	\$ 4,756,704
Cash Paid to Suppliers for Goods and Services	(262,666)	(239,757)	(3,077,707)	(3,580,130)
Cash Paid to Employees	(259,184)	(1,624,522)	-	(1,883,706)
Other Operating Income	18,348	-	4,370	22,718
Net Cash from Operating Activities	<u>334,358</u>	<u>(356,015)</u>	<u>(662,757)</u>	<u>(684,414)</u>
Cash Flows from Noncapital Financing Activities				
Loans to/from Other Funds	-	207,347	-	207,347
Transfers from Other Funds	100,000	148,668	145,000	393,668
Net Cash from Noncapital Financing Activities	<u>100,000</u>	<u>356,015</u>	<u>145,000</u>	<u>601,015</u>
Cash Flows from Capital Financing Activities				
Debt Proceeds	-	-	-	-
Payments on Long-term Debt	(134,844)	-	-	(134,844)
Interest Paid	(8,303)	-	-	(8,303)
Acquisition of Capital Assets	(184,855)	-	-	(184,855)
Net Cash Flows from Capital Financing Activities	<u>(328,002)</u>	<u>-</u>	<u>-</u>	<u>(328,002)</u>
Cash Flows from Investing Activities				
Interest Received	49,179	-	73,281	122,460
Net Increase (Decrease) in Cash	155,535	-	(444,476)	(288,941)
Cash and Cash Equivalents - Beginning of Year	1,074,574	-	2,086,320	3,160,894
Cash and Cash Equivalents - End of Year	<u>\$ 1,230,109</u>	<u>\$ -</u>	<u>\$ 1,641,844</u>	<u>\$ 2,871,953</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	\$ 32,118	\$ (449,760)	\$ (873,807)	\$ (1,291,449)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	260,107	46,850	-	306,957
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	-	809	27,338	28,147
(Increase) Decrease in Inventory	4,276	-	-	4,276
Increase (Decrease) in Accounts Payable	37,774	28,348	(10,458)	55,664
Increase (Decrease) in Accrued Liabilities	83	17,738	-	17,821
Increase (Decrease) in Insurance Payable	-	-	(81,057)	(81,057)
Increase (Decrease) in Claims Payable	-	-	275,227	275,227
Net Cash from Operating Activities	<u>\$ 334,358</u>	<u>\$ (356,015)</u>	<u>\$ (662,757)</u>	<u>\$ (684,414)</u>

STATISTICAL SECTION

City of San Fernando
Description of Statistical Section Contents
June 30, 2025

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

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$ 44,313,624	\$ 41,001,890	\$ 42,239,084	\$ 40,925,297
Restricted	5,926,880	5,847,710	17,998,631	20,621,615
Unrestricted	(39,587,196)	(32,938,991)	(66,465,286)	(68,665,049)
Total governmental activities net position	\$ 10,653,308	\$ 13,910,609	\$ (6,227,571)	\$ (7,118,137)
Business-type activities:				
Net investment in capital assets	\$ 14,592,937	\$ 14,515,239	\$ 14,079,295	\$ 13,581,037
Restricted	-	-	-	-
Unrestricted	7,404,904	3,639,086	(3,091,126)	(2,373,104)
Total business-type activities net position	\$ 21,997,841	\$ 18,154,325	\$ 10,988,169	\$ 11,207,933
Primary government:				
Net investment in capital assets	\$ 58,906,561	\$ 55,517,129	\$ 56,318,379	\$ 54,506,334
Restricted	5,926,880	5,847,710	17,998,631	20,621,615
Unrestricted	(32,182,292)	(29,299,905)	(69,556,412)	(71,038,153)
Total primary government net position	\$ 32,651,149	\$ 32,064,934	\$ 4,760,598	\$ 4,089,796

Source: City Finance Department

Fiacal Year					
2020	2021	2022	2023	2024	2025
\$ 40,816,119	\$ 41,717,958	\$ 40,754,134	\$ 63,770,882	\$ 66,239,108	\$ 67,935,729
21,199,073	24,260,931	32,145,559	23,985,734	23,805,309	22,542,880
(69,620,653)	(68,432,940)	(74,913,031)	(83,360,235)	(78,237,708)	(72,809,796)
<u>\$ (7,605,461)</u>	<u>\$ (2,454,051)</u>	<u>\$ (2,013,338)</u>	<u>\$ 4,396,381</u>	<u>\$ 11,806,709</u>	<u>\$ 17,668,813</u>
\$ 14,803,962	\$ 14,643,543	\$ 13,946,274	\$ 15,421,881	\$ 21,669,135	\$ 21,318,549
-	-	-	-	-	-
(2,089,865)	(410,665)	(3,395,964)	(5,425,294)	(6,615,885)	(3,902,516)
<u>\$ 12,714,097</u>	<u>\$ 14,232,878</u>	<u>\$ 10,550,310</u>	<u>\$ 9,996,587</u>	<u>\$ 15,053,250</u>	<u>\$ 17,416,033</u>
\$ 55,620,081	\$ 56,361,501	\$ 54,700,408	\$ 79,192,763	\$ 87,908,243	\$ 89,254,278
21,199,073	24,260,931	32,145,559	23,985,734	23,805,309	22,542,880
(71,710,518)	(68,843,605)	(78,308,995)	(88,785,529)	(84,853,593)	(76,712,312)
<u>\$ 5,108,636</u>	<u>\$ 11,778,827</u>	<u>\$ 8,536,972</u>	<u>\$ 14,392,968</u>	<u>\$ 26,859,959</u>	<u>\$ 35,084,846</u>

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

	Fiscal Year			
	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 7,744,559	\$ 4,769,539	\$ 5,003,034	\$ 7,604,642
Public safety	10,122,343	13,881,037	13,046,118	13,844,371
Community development	1,358,166	1,349,334	1,275,585	1,357,983
Public works	5,380,601	5,306,102	4,966,748	5,085,991
Parks and recreation	1,963,627	1,926,959	1,735,878	1,819,230
Interest on long-term debt	56,803	120,506	128,661	88,665
Total governmental activities expenses	<u>26,626,099</u>	<u>27,353,477</u>	<u>26,156,024</u>	<u>29,800,882</u>
Business-type activities:				
Water	3,260,071	3,692,438	3,389,704	4,154,617
Sewer	4,556,154	3,651,883	4,458,457	3,703,978
Compressed Natural Gas	-	-	42,825	80,355
Waste disposal	27,550	92,446	5,898	3,227
Total business-type activities expenses	<u>7,843,775</u>	<u>7,436,767</u>	<u>7,896,884</u>	<u>7,942,177</u>
Total primary government expenses	<u>34,469,874</u>	<u>34,790,244</u>	<u>34,052,908</u>	<u>37,743,059</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	647,141	583,386	595,511	882,306
Public safety	2,367,700	1,235,131	1,243,148	1,196,184
Community development	339,593	380,342	400,844	525,102
Public works	414,979	438,527	423,286	462,055
Parks and recreation	254,491	475,553	445,635	439,805
Operating grants and contributions	2,409,666	2,272,862	3,032,809	2,777,539
Capital grants and contributions	1,042,672	1,732,169	1,910,721	1,154,463
Total governmental activities program revenues	<u>7,476,242</u>	<u>7,117,970</u>	<u>8,051,954</u>	<u>7,437,454</u>
Business-type activities:				
Charges for services:				
Water	3,813,635	4,274,122	4,411,292	4,426,813
Sewer	3,336,251	3,368,071	3,435,103	3,449,801
Compressed Natural Gas	-	-	68,467	117,355
Waste disposal	6,651	12,984	16,994	6,416
Total business-type activities program revenues	<u>7,156,537</u>	<u>7,655,177</u>	<u>7,931,856</u>	<u>8,000,385</u>
Total primary government program revenues	<u>14,632,779</u>	<u>14,773,147</u>	<u>15,983,810</u>	<u>15,437,839</u>
Net revenues (expenses):				
Governmental activities	(19,149,857)	(20,235,507)	(18,104,070)	(22,363,428)
Business-type activities	(687,238)	218,410	34,972	58,208
Total net revenues (expenses)	<u>(19,837,095)</u>	<u>(20,017,097)</u>	<u>(18,069,098)</u>	<u>(22,305,220)</u>

Source: City Finance Department

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 6,695,845	\$ 8,331,758	\$ 11,508,546	\$ 8,535,396	\$ 5,763,993	\$ 5,561,214
15,706,963	12,449,356	20,651,820	23,133,497	14,689,058	16,417,623
1,448,244	1,791,458	3,047,990	1,450,838	2,308,747	3,068,997
4,587,387	5,856,079	2,872,863	6,732,859	9,023,389	7,685,867
1,912,396	1,965,303	2,134,123	3,039,015	4,077,044	2,977,410
86,044	100,653	417,763	817,025	804,452	1,140,190
<u>30,436,879</u>	<u>30,494,607</u>	<u>40,633,105</u>	<u>43,708,630</u>	<u>36,666,683</u>	<u>36,851,301</u>
4,151,358	4,354,894	6,855,816	7,102,186	6,539,570	5,004,840
2,860,657	3,011,816	5,312,532	2,602,834	3,960,650	3,614,283
136,837	95,615	164,488	496,035	289,015	185,891
3,284	5,961	3,403	10,000	7,972	1,224
<u>7,152,136</u>	<u>7,468,286</u>	<u>12,336,239</u>	<u>10,211,055</u>	<u>10,797,207</u>	<u>8,806,238</u>
<u>37,589,015</u>	<u>37,962,893</u>	<u>52,969,344</u>	<u>53,919,685</u>	<u>47,463,890</u>	<u>45,657,539</u>
940,109	836,190	110,542	743,378	693,170	684,998
1,185,587	958,218	1,036,628	1,081,023	1,202,141	1,205,768
575,485	492,207	498,787	643,162	573,257	727,214
415,899	489,028	490,496	448,638	454,442	492,999
282,675	131,349	268,658	357,301	356,955	351,775
2,851,522	3,927,950	6,089,498	9,205,604	4,643,622	5,082,354
1,059,134	5,194,218	7,390,400	16,944,785	12,914,213	4,603,455
<u>7,310,411</u>	<u>12,029,160</u>	<u>15,885,009</u>	<u>29,423,891</u>	<u>20,837,800</u>	<u>13,148,563</u>
4,656,746	4,993,300	5,234,121	5,228,074	5,596,863	6,323,974
3,643,176	4,025,086	3,866,293	4,088,886	3,987,489	4,333,790
187,994	140,910	133,450	450,965	341,511	136,366
278	114	6,467	-	-	-
<u>8,488,194</u>	<u>9,159,410</u>	<u>9,240,331</u>	<u>9,767,925</u>	<u>9,925,863</u>	<u>10,794,130</u>
<u>15,798,605</u>	<u>21,188,570</u>	<u>25,125,340</u>	<u>39,191,816</u>	<u>30,763,663</u>	<u>23,942,693</u>
(23,126,468)	(18,465,447)	(24,748,096)	(14,284,739)	(15,828,883)	(23,702,738)
1,336,058	1,691,124	(3,095,908)	(443,130)	(871,344)	1,987,892
<u>(21,790,410)</u>	<u>(16,774,323)</u>	<u>(27,844,004)</u>	<u>(14,727,869)</u>	<u>(16,700,227)</u>	<u>(21,714,846)</u>

(Continued)

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

	Fiscal Year			
	2016	2017	2018	2019
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property	\$ 8,739,138	\$ 8,867,169	\$ 8,970,624	\$ 9,741,048
Sales and use	6,437,739	7,911,392	7,984,731	8,207,979
Property taxes in lieu of sales and use taxes	962,590	-	-	-
Business license taxes	1,184,994	1,483,606	1,629,779	1,601,969
Franchise	636,652	636,457	663,381	693,474
Other taxes	334,419	350,636	371,835	396,279
Investment income	72,181	102,733	122,016	564,893
Gain on sale of property	-	-	-	-
Other	107,561	48,101	192,512	87,220
Transfers	181,000	180,000	162,407	180,000
Total governmental activities	<u>18,656,274</u>	<u>19,580,094</u>	<u>20,097,285</u>	<u>21,472,862</u>
Business-type activities:				
Investment income	64,545	30,788	39,486	341,556
Transfers	(181,000)	(180,000)	(162,407)	(180,000)
Total business-type activities	<u>(116,455)</u>	<u>(149,212)</u>	<u>(122,921)</u>	<u>161,556</u>
Total primary government	<u>18,539,819</u>	<u>19,430,882</u>	<u>19,974,364</u>	<u>21,634,418</u>
Changes in net position:				
Governmental activities	(493,583)	(655,413)	1,993,215	(890,566)
Business-type activities	(803,693)	69,198	(87,949)	219,764
Total primary government	<u>\$ (1,297,276)</u>	<u>\$ (586,215)</u>	<u>\$ 1,905,266</u>	<u>\$ (670,802)</u>

Source: City Finance Department

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 9,730,128	\$ 10,725,774	\$ 10,196,178	\$ 12,655,839	\$ 12,513,002	\$ 13,094,389
8,773,312	10,186,845	11,912,920	12,036,191	11,549,724	11,534,650
-	-	-	-	-	-
1,658,301	1,554,102	1,669,084	1,814,949	1,876,766	2,098,254
710,629	741,355	775,995	933,936	996,481	1,020,223
367,170	341,780	453,278	356,816	354,458	350,802
591,883	7,759	(167,636)	(121,784)	1,163,217	1,269,691
-	-	-	-	8,400	-
323,826	239,242	187,967	264,899	271,354	205,375
180,000	180,000	161,023	220,008	(3,728,248)	(26,542)
<u>22,335,249</u>	<u>23,976,857</u>	<u>25,188,809</u>	<u>28,160,854</u>	<u>25,005,154</u>	<u>29,546,842</u>
350,106	7,657	(425,637)	109,415	433,816	348,349
(180,000)	(180,000)	(161,023)	(220,008)	3,728,248	26,542
<u>170,106</u>	<u>(172,343)</u>	<u>(586,660)</u>	<u>(110,593)</u>	<u>4,162,064</u>	<u>374,891</u>
<u>22,505,355</u>	<u>23,804,514</u>	<u>24,602,149</u>	<u>28,050,261</u>	<u>29,167,218</u>	<u>29,921,733</u>
(791,219)	5,511,410	440,713	13,876,115	9,176,271	5,844,104
1,506,164	1,518,781	(3,682,568)	(553,723)	3,290,720	2,362,783
<u>\$ 714,945</u>	<u>\$ 7,030,191</u>	<u>\$ (3,241,855)</u>	<u>\$ 13,322,392</u>	<u>\$ 12,466,991</u>	<u>\$ 8,206,887</u>

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

	Fiscal Year			
	2016	2017	2018	2019
General fund:				
Nonspendable	\$ 329,717	\$ 66,703	\$ 66,308	\$ 1,140
Unassigned	(3,409,964)	(1,541,792)	(274,561)	1,820,023
Total general fund	<u>\$ (3,080,247)</u>	<u>\$ (1,475,089)</u>	<u>\$ (208,253)</u>	<u>\$ 1,821,163</u>
All other governmental funds:				
Nonspendable	\$ -	\$ 1,000	\$ 1,896	\$ -
Restricted	16,579,665	17,727,008	18,388,470	20,565,668
Unassigned	(423,525)	(480,384)	(759,477)	(168,996)
Total all other governmental funds	<u>\$ 16,156,140</u>	<u>\$ 17,247,624</u>	<u>\$ 17,630,889</u>	<u>\$ 20,396,672</u>

Source: City Finance Department

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 1,600	\$ 234,225	\$ 7,384	\$ 33,955	\$ 28,988	\$ 49,965
3,624,944	7,525,244	10,223,657	10,248,922	10,959,679	12,096,936
<u>\$ 3,626,544</u>	<u>\$ 7,759,469</u>	<u>\$ 10,231,041</u>	<u>\$ 10,282,877</u>	<u>\$ 10,988,667</u>	<u>\$ 12,146,901</u>
\$ -	\$ -	\$ -	\$ 895	\$ -	\$ -
21,199,073	24,249,648	29,075,891	23,944,021	24,296,254	22,430,865
(564,543)	(100,585)	(318,386)	(9,454,486)	(8,158,813)	(7,973,151)
<u>\$ 20,634,530</u>	<u>\$ 24,149,063</u>	<u>\$ 28,757,505</u>	<u>\$ 14,490,430</u>	<u>\$ 16,137,441</u>	<u>\$ 14,457,714</u>

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

	Fiscal Year			
	2016	2017	2018	2019
Revenues:				
Taxes	\$ 18,243,024	\$ 18,814,442	\$ 19,667,257	\$ 18,814,442
Licenses and permits	335,010	243,960	279,620	243,960
Charges for services	2,115,806	1,282,281	1,238,793	1,282,281
Fines and forfeitures	643,927	576,710	436,941	576,710
Investment earnings	240,049	268,368	312,908	268,368
Intergovernmental	3,641,035	4,543,228	5,511,368	4,543,228
Other	423,599	383,686	526,313	383,686
Total revenues	<u>25,642,450</u>	<u>26,112,675</u>	<u>27,973,200</u>	<u>26,112,675</u>
Expenditures				
Current:				
General government	5,915,423	4,575,208	5,085,790	4,575,208
Public safety	10,988,468	10,976,722	11,746,344	10,976,722
Community development	1,021,757	1,093,430	1,056,819	1,093,430
Public works	3,284,258	2,890,550	2,849,581	2,890,550
Parks and recreation	1,774,799	1,730,136	1,604,650	1,730,136
Capital outlay	1,291,817	2,017,716	3,755,234	2,017,716
Debt service:				
Principal	-	65,000	80,000	65,000
Interest and fiscal charges	27,559	147,271	134,681	147,271
Total expenditures	<u>24,304,081</u>	<u>23,496,033</u>	<u>26,313,099</u>	<u>23,496,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,338,369</u>	<u>2,616,642</u>	<u>1,660,101</u>	<u>2,616,642</u>
Other financing sources (uses):				
Transfers in	628,658	424,262	469,234	424,262
Transfers out	(577,658)	(344,262)	(479,234)	(344,262)
Issuance of debt	2,785,000	-	-	-
Discount	131,355	-	-	-
Sale of property	-	-	-	-
Total other financing sources (uses)	<u>2,967,355</u>	<u>80,000</u>	<u>(10,000)</u>	<u>80,000</u>
Net change in fund balances	<u>\$ 4,305,724</u>	<u>\$ 2,696,642</u>	<u>\$ 1,650,101</u>	<u>\$ 2,696,642</u>
Debt service as a percentage of noncapital expenditures	0.1%	0.9%	1.0%	0.9%

Source: City Finance Department

		Fiscal Year					
		2020	2021	2022	2023	2024	2025
\$	20,275,158	\$ 23,389,661	\$ 25,511,611	\$ 28,085,804	\$ 27,087,237	\$ 27,743,512	
	427,751	326,352	307,168	477,454	437,966	465,208	
	1,091,558	804,704	1,704,485	1,065,063	1,188,833	1,271,336	
	601,491	507,441	436,977	423,285	442,628	633,091	
	1,156,718	652,506	(1,003,052)	621,498	2,056,954	2,258,406	
	4,778,327	9,724,347	13,828,362	18,461,268	19,017,807	10,366,972	
	553,673	492,219	186,920	265,104	279,754	205,374	
	<u>28,884,676</u>	<u>35,897,230</u>	<u>40,972,471</u>	<u>49,399,476</u>	<u>50,511,179</u>	<u>42,943,899</u>	
	5,754,393	6,088,117	38,525,520	5,184,899	6,585,852	7,725,967	
	12,861,226	12,462,556	13,761,519	15,250,518	16,629,534	16,229,890	
	1,269,661	1,395,892	1,152,739	1,503,550	1,984,544	2,968,977	
	2,847,769	2,870,545	3,140,952	4,210,011	4,514,365	4,925,676	
	1,854,561	1,552,613	2,198,823	3,381,727	3,826,863	3,196,675	
	1,963,289	4,444,583	4,379,872	23,132,102	8,883,392	6,053,399	
	85,000	604,174	1,819,761	1,624,254	1,135,000	1,145,000	
	92,038	89,481	427,290	832,933	810,580	799,598	
	<u>26,727,937</u>	<u>29,507,961</u>	<u>65,406,476</u>	<u>55,119,994</u>	<u>44,370,130</u>	<u>43,045,182</u>	
	<u>2,156,739</u>	<u>6,389,269</u>	<u>(24,434,005)</u>	<u>(5,720,518)</u>	<u>6,141,049</u>	<u>(101,283)</u>	
	583,805	470,000	2,859,602	3,573,194	596,360	582,052	
	(697,305)	(350,000)	(3,125,583)	(3,508,194)	(4,384,608)	(1,002,262)	
	-	1,498,189	31,780,000	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	<u>(113,500)</u>	<u>1,618,189</u>	<u>31,514,019</u>	<u>65,000</u>	<u>(3,788,248)</u>	<u>(420,210)</u>	
\$	<u>2,043,239</u>	<u>\$ 8,007,458</u>	<u>\$ 7,080,014</u>	<u>\$ (5,655,518)</u>	<u>\$ 2,352,801</u>	<u>\$ (521,493)</u>	
	0.8%	2.8%	3.8%	7.9%	5.5%	5.5%	

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

Fiscal Year Ended June 30	Residential	Commercial	Industrial	Other	Unsecured	Taxable Assessed Value	Direct Tax Rate
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%
2024	1,477,433,745	425,085,185	427,117,342	120,178,176	159,545,130	2,609,359,578	0.34431%
2025	1,540,805,296	470,297,166	436,627,565	93,266,352	216,449,604	2,757,445,983	0.32776%

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	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
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	0.03575	0.03596	0.04599	0.04621	0.02717	0.04016	0.04376	0.02488	0.06023	0.05136
LA Unified School District	0.12971	0.13110	0.12219	0.12323	0.12552	0.13993	0.11323	0.12107	0.12422	0.12802
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00700
Tax District No. 1	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357	0.16997	0.19033	0.18761	0.17046
Direct and Overlapping Tax Rates ²	1.41659	1.40303	1.40406	1.40028	1.36832	1.38716	1.33046	1.33978	1.37556	1.35684
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	0.24763	0.23247	0.23238	0.22734	0.21213	0.20357	0.16997	0.19033	0.18761	0.17046
Redevelopment Rate ⁴	-	-	-	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.38306	0.36884	0.36854	0.36433	0.34975	0.34140	0.30870	0.34683	0.34431	0.32776

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. The ERAF portion of the City's Levy has been subtracted where know.

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

Taxpayer	2024/25		Taxpayer	2015/16	
	Net Assessed Value	Percent of City's Total Net Assessed Value		Net Assessed Value	Percent of City's Total Net Assessed Value
Rexford Industrial LLC	\$ 129,231,403	4.69%	CPF San Fernando LLC	\$ 73,932,541	4.39%
American Fruits and Flavors LLC	123,680,764	4.49%	Pharmavite LLC	50,094,005	2.97%
Pharmavite LLC	43,518,609	1.58%	SFVS Company LLC	21,375,363	1.27%
GC San Fernando LLC	37,454,399	1.36%	Foothill HD Retail Center LLC	20,084,446	1.19%
Foothill HD Retail Center LLC	23,665,191	0.86%	Ahi Glenoaks Inc.	16,325,508	0.97%
Ahi Glenoaks Inc.	19,236,090	0.70%	San Fernando Gateway LLC	15,125,735	0.90%
315 Partners LLC	18,669,126	0.68%	315 Partners LLC	15,045,623	0.89%
Xenia Hospitality LLC	18,227,807	0.66%	YNG LLC	13,520,000	0.80%
San Fernando Gateway LLC	17,822,413	0.65%	San Fernando Associates	10,729,454	0.64%
Liberty Property LP	15,546,929	0.56%	San Fernando Valley Automotive LLC	9,068,748	0.54%
Total Top Ten	\$ 447,052,731	16.21%	Total Top Ten	\$ 245,301,423	14.55%
Total Property Taxes	\$ 2,757,445,983		Total Property Taxes	\$ 1,685,676,080	

Data Source: Los Angeles County Assessor 2015/16 and 2024/25 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
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%
2024	8,984,364	9,330,406	103.85%	(29,279)	9,301,127	103.53%
2025	9,037,697	9,650,263	106.78%	(87,350)	9,562,913	105.81%

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 2024-25

<u>Business Name</u>	<u>Business Category</u>
Ally Financial	Auto Lease
Arco	Service Stations
Arco	Service Stations
Arroyo Building Materials	Building Materials
Casco	Contractors
CCAP Auto Lease	Auto Lease
CVS Pharmacy	Drug Store
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
Maclay Shell & Circle K	Service Stations
McDonalds	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
One Step GPS	Business Service
Pool & Electrical Products	Plumbing/Electrical Supplies
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Smart & Final	Grocery Stores
T Mobile	Electronics/Appliance Stores
Taco Bell	Quick Service Restaurants
Target	Discount Dept Stores
Vallarta Supermarket	Grocery Stores
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 65.81%

Firms Listed Alphabetically, Period: July 2024 Thru June 2025

Allocations Adjusted for Economic Data

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 2015-16

<u>Business Name</u>	<u>Business Category</u>
Acey Decy Lighting	Repair Shop/Equip. Rentals
Araca Merchandise	Art/Gift/novelty Stores
Arco	Service Stations
Arroyo Building Materials	Building Materials
Casco	Contractors
CCAP Auto Lease	Auto Lease
El Pollo Loco	Quick Service Restaurants
El Super	Grocery Stores
Ferguson Enterprises	Plumbing/Electrical Supplies
Goodman Distribution	Contractors
Home Depot	Building Materials
IHOP	Casual Dining
McDonald's	Quick Service Restaurants
Nachos Ornamental Supply	Contractors
Pool & Electrical Products	Plumbing/Electrical Supplies
PRG	Repair Shop/Equip. Rentals
Rydell Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Sams Club	Discount Dept Stores
Smart & Final	Grocery Stores
T Mobile	Electronics/Appliance Stores
TMB Production Supplies & Services	Electrical Equipment
Truman 76	Service Stations
Vallarta Supermarket	Grocery Stores
Western Motor Sport	Used Automotive Dealers
WSS	Shoe Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 68.27%

Firms Listed Alphabetically, Period: July 2015 Thru June 2016

Allocations Adjusted for Economic Data

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Apparel Stores	\$ 10,410	\$ 11,449	\$ 11,799	\$ 12,361	\$ 12,393
Food Stores	14,084	15,033	15,638	16,028	16,168
Eating and Drinking Places	61,175	66,313	72,031	75,973	79,178
Building Materials	96,112	102,799	114,471	121,603	124,136
Auto Dealers and Supplies	89,543	105,405	102,604	109,902	127,894
Service Stations	15,301	13,545	12,927	14,988	14,421
Other Retail Stores	63,804	64,745	64,723	39,534	34,860
All Other Outlets	111,902	123,989	126,499	144,155	154,162
Total	\$ 462,331	\$ 503,278	\$ 520,692	\$ 534,544	\$ 563,212

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. As of 2023, Service Stations will be categorized with "Other Retail Stores".

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Apparel Stores	\$ 11,244	\$ 15,098	\$ 15,743	\$ 13,908	\$ 13,151
Food Stores	16,725	16,881	17,652	18,423	19,018
Eating and Drinking Places	73,790	86,124	91,012	98,004	99,956
Building Materials	128,863	143,209	145,483	144,815	136,856
Auto Dealers and Supplies	139,414	167,705	161,623	132,982	109,680
Service Stations	9,974	19,911	25,544	-	-
Other Retail Stores	36,976	42,380	42,174	68,115	84,107
All Other Outlets	193,892	198,055	213,428	198,371	201,993
	<hr/>				
Total	<u>\$ 610,878</u>	<u>\$ 689,363</u>	<u>\$ 712,659</u>	<u>\$ 674,618</u>	<u>\$ 664,761</u>

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	2025		Water Customer	2016	
	Water Charges	Percent of Total Water Revenues		Water Charges	Percent of Total Water Revenues
Pharmavite Corporation	\$ 72,166	1.22%	Pharmavite Corporation	\$ 48,029	1.36%
Pharmavite Corporation	39,480	0.67%	Pharmavite Corporaton	24,919	0.71%
Soo Bin IM	38,848	0.66%	Mission Park Apartment	22,083	0.63%
LA Board of Education	37,065	0.63%	Bitman, Boris Bruce	19,263	0.55%
American Fruits & Flavors	34,514	0.58%	Martin & Denise Rile	17,775	0.50%
LA Board of Education	34,487	0.58%	MRCA	16,153	0.46%
City of San Fernando	32,247	0.54%	Fresenius Medical CA	15,281	0.43%
San Fernando City	26,500	0.45%	LA Board of Education	14,943	0.42%
County of Los Angeles	26,206	0.44%	Glenoaks Village H.O.	14,016	0.40%
Puretek Corp.	<u>25,466</u>	<u>0.43%</u>	LA Board of Education	<u>13,583</u>	<u>0.38%</u>
Total Top Ten	\$ 366,979	6.19%	Total Top Ten	\$ 206,044	5.84%
Total Water Revenue	\$ 5,926,258		Total Water Revenue	\$ 3,529,712	

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

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

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities		Total	Percentage of Personal Income	Per Capita
	Certificates of Participation	Loans	Leases	2020 Installment Sale Agreement				
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
2024	2,090,000	-	415,602	840,000	-	3,345,602	0.52%	143
2025	2,064,956	-	280,758	705,000	-	3,050,714	0.43%	130

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/PST045223> visited 11/26/2024.

City of San Fernando Direct and Overlapping Debt

2024-25 Assessed Valuation: \$2,757,445,983

	Total Debt 6/30/2025	% Applicable (1)	City's Share of Debt 6/30/25
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$17,155,000	0.068%	\$11,665
Los Angeles Community College District	4,919,505,000	0.232	11,413,252
Los Angeles Unified School District	11,745,405,000	0.283	<u>33,239,496</u>
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			44,664,413
Less: Los Angeles Unified School District economically defeased general obligation bonds			1,305,282
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			\$43,359,131
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$3,036,637,390	0.131%	\$3,977,995
Los Angeles County Superintendent of Schools Certificates of Participator	2,331,775	0.131	3,055
Los Angeles Unified School District General Fund Obligations	225,010,000	0.283	636,778
City of San Fernando Installment Sale Agreement	2,064,956	100	2,064,956 (2)
City of San Fernando Pension Obligation Bonds	27,435,000	100	27,435,000 (3)
City of San Fernando Loans Payable from Direct Borrowing Leases	280,758	100	<u>280,758</u> (3)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$34,398,542
TOTAL DIRECT DEBT			\$29,780,714
TOTAL GROSS OVERLAPPING DEBT			\$49,282,241
TOTAL NET OVERLAPPING DEBT			\$47,976,959
GROSS COMBINED TOTAL DEBT			\$79,062,955 (4)
NET COMBINED TOTAL DEBT			\$77,757,673

(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) Includes premium

(3) Governmental activities portion only

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

Ratios to 2024-25 Assessed Valuation:

Direct Debt (\$29,780,714)	1.08%
Total Gross Overlapping Tax and Assessment Debt	1.62%
Total Net Overlapping Tax and Assessment Debt	1.57%
Gross Combined Total Debt	2.87%
Net Combined Total Debt	2.82%

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

Fiscal Year	2016	2017	2018	2019	2020
Assessed Valuation	1,685,676,080	1,791,249,290	1,854,633,401	1,942,294,308	2,045,544,796
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	421,419,020	447,812,323	463,658,350	485,573,577	511,386,199
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	63,212,853	67,171,848	69,548,753	72,836,037	76,707,930
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>63,212,853</u>	<u>67,171,848</u>	<u>69,548,753</u>	<u>72,836,037</u>	<u>76,707,930</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	2021	2022	2023	2024	2025
Assessed Valuation	2,176,500,330	2,253,723,303	2,395,190,428	2,609,359,578	2,757,445,983
Conversion Percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted Assessed Valuation	544,125,083	563,430,826	598,797,607	652,339,895	689,361,496
Debt Limit Percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt Limit	81,618,762	84,514,624	89,819,641	97,850,984	103,404,224
Total Net Debt Applicable To Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>81,618,762</u>	<u>84,514,624</u>	<u>89,819,641</u>	<u>97,850,984</u>	<u>103,404,224</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 - 2024/25 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>
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%
2024	23,364	642,183,000	27,486	5.0%
2025	23,488	707,670,000	30,129	5.5%

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%
		100.0%

Building Permits	<u>Calendar Year</u>	<u># Permits</u>	<u>Valuation</u>
	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
	2023	1,134	29,169,362
	2024	990	19,982,441
	2025	1,004	17,077,171

Date Source: City of San Fernando Community Development Department

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

<u>Business Name</u>	<u>2024-25</u>		<u>Business Name</u>	<u>2015-16</u>	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Los Angeles Unified School District	2,466	20.21%	Los Angeles Unified School District	1978	16.91%
Lehman Foods - Fresh & Ready	415	3.40%	Pepsi Beverages Company	281	2.40%
Pepsi Beverages Company	325	2.66%	The Home Depot	216	1.85%
Pharmavite LLC	312	2.56%	Los Angeles County Superior Court	258	2.21%
The Home Depot	245	2.01%	Vallarta Supermarkets	163	1.39%
Los Angeles County Superior Court	233	1.91%	Puretek Corporation	180	1.54%
Northeast Valley Health Group	158	1.30%	Sam's Club	170	1.45%
City of San Fernando	146	1.20%	Ricon Corp	149	1.27%
Vallarta Supermarkets	140	1.15%	Valley Crest Landscape Co.	136	1.16%
Country Manor Healthcare	139	1.14%	7 Up RC Bottling	101	0.86%
Total Top Ten Employers	<u>4,579</u>	<u>37.53%</u>	Total Top Ten Employers	<u>3,632</u>	<u>31.04%</u>
Total City Labor Force ⁽¹⁾	<u>12,200</u>		Total City Labor Force ⁽¹⁾	<u>11,700</u>	

Notes:

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

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

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

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

<u>Function</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	15	15	15	15	15
Community Development	8	8	8	8	8
Public Safety	47	48	48	49	49
Public Works	34	34	34	34	36
Recreation and Community Services	24	24	24	24	24
Total	<u>128</u>	<u>129</u>	<u>129</u>	<u>130</u>	<u>132</u>

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

<u>Function</u>	Fiscal Year				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government	15	16	18	18	18
Community Development	8	7	9	9	10
Public Safety	49	54	55	55	55
Public Works	35	32	37	37	38
Recreation and Community Services	24	24	26	27	29
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>132</u>	<u>133</u>	<u>145</u>	<u>146</u>	<u>150</u>

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

Function	Calendar Year				
	2016	2017	2018	2019	2020
Police:					
Arrests	1007	965	881	833	903
Parking Citations Issued	9,745	8,691	9,602	12,471	9,683

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

Function	Calendar Year				
	2021	2022	2023	2024	2025
Police:					
Arrests	991	740	696	870	963
Parking Citations Issued	9,198	5,803	7,534	10,057	16,482

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

Function	Fiscal Year				
	2016	2017	2018	2019	2020
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	0	0	0	0	0
Public Works:					
Streets (miles)	47.20	47.20	47.20	47.20	47.20
Alleyways (miles)	3.20	3.20	3.20	3.20	3.20
Streetlights	1,848	1,848	1,848	1,848	1,848
Traffic Signals Intersections	45	45	45	45	45
Parks and Recreation:					
Parks	8	8	8	8	8
Recreation Centers	2	2	2	2	2
Water:					
Water Mains (miles)	66.88	66.88	66.88	66.88	66.88
Maximum Daily Pumping Capacity	3,600	3,600	3,600	3,600	3,600
Wastewater:					
Sanitary Sewers (miles)	42.59	42.59	42.59	42.59	42.59
Storm Sewers (miles)	0.68	0.68	0.68	0.68	0.68

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

Function	Fiscal Year				
	2021	2022	2023	2024	2025
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	1.68	1.68	1.68