

City of Calexico

Calexico, California

Basic Financial Statements and Independent Auditors' Reports

For the Year Ended June 30, 2021



City of Calexico
Basic Financial Statements
For the Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
of the City of Calexico
Calexico, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calexico, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Implementation of GASB Statement No. 84

As discussed in Note 1 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$1,566,597. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedule of Changes in Total OPEB Liability and Related Ratios, on pages 97 through 106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Nonmajor Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Honorable City Council
of the City of Calexico
Calexico, California
Page 3

The Combining Nonmajor Fund Financial Statements on pages 110 through 138 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Nonmajor Fund Financial Statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 "The PwC Group, LLP". The signature is written in a cursive, flowing style.

San Diego, California
April 22, 2022

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Calexico
Statement of Net Position
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 23,916,816	\$ 30,394,420	\$ 54,311,236
Receivables:			
Accounts	587,908	3,142,753	3,730,661
Intergovernmental	5,175,158	51,510	5,226,668
Inventories and prepaid items	250,486	39,141	289,627
Deposits	175,000	-	175,000
Total current assets	30,105,368	33,627,824	63,733,192
Noncurrent assets:			
Cash and investments with fiscal agents	17,260,502	38,768,327	56,028,829
Capital assets:			
Non-depreciable assets	17,398,534	5,228,115	22,626,649
Depreciable assets, net	58,978,449	44,329,032	103,307,481
Total capital assets, net	76,376,983	49,557,147	125,934,130
Total noncurrent assets	93,637,485	88,325,474	181,962,959
Total assets	123,742,853	121,953,298	245,696,151
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding, net	-	82,010	82,010
Pension-related deferred outflows of resources	5,372,391	1,247,496	6,619,887
OPEB-related deferred outflows of resources	3,847,955	1,201,979	5,049,934
Total deferred outflows of resources	9,220,346	2,531,485	11,751,831

City of Calexico
Statement of Net Position (Continued)
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	4,617,104	426,732	5,043,836
Accrued payroll	103,033	14,712	117,745
Interest payable	171,812	213,441	385,253
Compensated absences - due within one year	102,149	10,141	112,290
Claims payable - due within one year	1,663,064	-	1,663,064
Long-term debt - due within one year	1,642,464	770,998	2,413,462
Total current liabilities	8,485,102	1,436,024	9,921,126
Noncurrent liabilities:			
Deposits payable	186,674	233,393	420,067
Compensated absences - due in more than one year	1,467,135	361,346	1,828,481
Claims payable - due in more than one year	1,968,000	-	1,968,000
Long-term debt - due in more than one year	28,421,517	40,782,797	69,204,314
Total OPEB liability	30,025,193	9,378,908	39,404,101
Aggregate net pension liability	24,483,077	5,776,111	30,259,188
Total noncurrent liabilities	86,551,596	56,532,555	143,084,151
Total liabilities	95,036,698	57,968,579	153,005,277
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	1,497,405	483,845	1,981,250
Total deferred inflows of resources	1,497,405	483,845	1,981,250
NET POSITION			
Net investment in capital assets	46,313,002	46,853,689	93,166,691
Restricted for:			
Special projects	9,700,334	-	9,700,334
Debt service	3,085,633	-	3,085,633
Capital projects	22,735,021	-	22,735,021
Total restricted	35,520,988	-	35,520,988
Unrestricted (deficit)	(45,404,894)	19,178,670	(26,226,224)
Total net position	\$ 36,429,096	\$ 66,032,359	\$ 102,461,455

City of Calexico
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 4,194,016	\$ 264,623	\$ 797,081	\$ 3,269	\$ 1,064,973
Public safety	12,627,392	1,775,762	635,981	9,459	2,421,202
Public works	7,772,480	2,469,139	928,293	4,737,256	8,134,688
Culture and recreation	1,018,052	2,193	44,382	29,379	75,954
Planning and building	693,277	747,160	35,837	-	782,997
Housing	6,835,251	4,000	6,912,724	-	6,916,724
Interest and fiscal charges	1,170,747	-	-	-	-
Total governmental activities	34,311,215	5,262,877	9,354,298	4,779,363	19,396,538
Business-type activities:					
Water	8,369,844	8,092,065	-	-	8,092,065
Wastewater	5,560,147	5,933,907	-	-	5,933,907
Airport	560,531	252,852	-	63,315	316,167
Total business-type activities	14,490,522	14,278,824	-	63,315	14,342,139
Total primary government	\$ 48,801,737	\$ 19,541,701	\$ 9,354,298	\$ 4,842,678	\$ 33,738,677

City of Calexico
Statement of Activities and Changes in Net Position (Continued)
For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (3,129,043)	\$ -	\$ (3,129,043)
Public safety	(10,206,190)	-	(10,206,190)
Public works	362,208	-	362,208
Culture and recreation	(942,098)	-	(942,098)
Planning and building	89,720	-	89,720
Housing	81,473	-	81,473
Interest and fiscal charges	(1,170,747)	-	(1,170,747)
Total governmental activities	(14,914,677)	-	(14,914,677)
Business-type activities:			
Water	-	(277,779)	(277,779)
Wastewater	-	373,760	373,760
Airport	-	(244,364)	(244,364)
Total business-type activities	-	(148,383)	(148,383)
Total primary government	(14,914,677)	(148,383)	(15,063,060)
General revenues:			
Taxes:			
Property taxes	6,086,852	-	6,086,852
Sales taxes	7,089,470	-	7,089,470
Transit occupancy taxes	341,221	-	341,221
Franchise fees	674,375	-	674,375
Non-regulatory business license tax	763,386	-	763,386
Other taxes	453,120	-	453,120
Total taxes	15,408,424	-	15,408,424
Investment earnings	598,401	30,337	628,738
Miscellaneous	15,354	675	16,029
Gain on sale of capital assets	-	39,204	39,204
Total general revenues	16,022,179	70,216	16,092,395
Changes in net position	1,107,502	(78,167)	1,029,335
Net position - beginning of year	35,321,594	66,110,526	101,432,120
Net position - end of year	\$ 36,429,096	\$ 66,032,359	\$ 102,461,455

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund – This is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

LTA Measure D Special Revenue Fund – This fund accounts for revenues from 0.5% retail and use tax used for transportation improvements to repair and rehabilitate existing roadways, reduce congestion and improve safety, and to provide for construction of needed facilities.

Measure D Capital Projects Fund – This fund accounts for the capital outlay of bond proceeds issued to finance transportation improvements to repair and rehabilitate existing roadways, reduce congestion and improve safety, and to provide for construction of needed facilities.

Measure H Capital Projects Fund – This fund accounts for the capital outlay of bond proceeds issued to finance a fire station and various park and recreation improvements.

Other Operating Grants Special Revenue Fund – This fund accounts for revenues from intergovernmental operating grants that are not included specified grant funds.

City of Calexico
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			
	General	LTA Measure D	Measure D	Measure H
	Fund	Special Revenue Fund	Capital Projects Fund	Capital Projects Fund
ASSETS				
Cash and investments	\$ -	\$ 6,450,057	\$ -	\$ -
Cash and investments with fiscal agents	-	-	6,699,869	7,197,296
Receivables:				
Accounts	502,852	-	-	-
Intergovernmental	3,441,806	-	-	-
Due from other funds	-	2,983,994	-	-
Inventories and prepaid items	79,973	-	-	-
Total assets	\$ 4,024,631	\$ 9,434,051	\$ 6,699,869	\$ 7,197,296
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 603,835	\$ -	\$ 1,167,482	\$ 1,504,997
Accrued payroll	76,035	-	-	-
Due to other funds	1,196,274	-	2,983,994	3,633,922
Deposits payable	148,021	-	-	-
Unearned revenue	1,500	-	-	-
Total liabilities	2,025,665	-	4,151,476	5,138,919
Fund Balances:				
Non-spendable	79,973	-	-	-
Restricted	-	9,434,051	2,548,393	2,058,377
Unassigned (deficit)	1,918,993	-	-	-
Total fund balances	1,998,966	9,434,051	2,548,393	2,058,377
Total liabilities and fund balances	\$ 4,024,631	\$ 9,434,051	\$ 6,699,869	\$ 7,197,296

City of Calexico
Balance Sheet (Continued)
Governmental Funds
June 30, 2021

	Major Funds		
	Other	Non-Major	Total
	Operating Grants	Governmental Funds	Governmental Funds
ASSETS			
Cash and investments	\$ 155,715	\$ 17,176,044	\$ 23,781,816
Cash and investments with fiscal agents	-	3,363,337	17,260,502
Receivables:			
Accounts	-	22,250	525,102
Intergovernmental	35,838	1,697,514	5,175,158
Due from other funds	-	1,881,011	4,865,005
Inventories and prepaid items	-	-	79,973
Total assets	\$ 191,553	\$ 24,140,156	\$ 51,687,556
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 35,838	681,213	\$ 3,993,365
Accrued payroll	-	3,318	79,353
Due to other funds	-	1,518,308	9,332,498
Deposits payable	-	38,653	186,674
Unearned revenue	155,715	28,261	185,476
Total liabilities	191,553	2,269,753	13,777,366
Fund Balances:			
Non-spendable	-	-	79,973
Restricted	-	21,480,167	35,520,988
Unassigned (deficit)	-	913,236	2,832,229
Total fund balances	-	21,870,403	37,910,190
Total liabilities and fund balances	\$ 191,553	\$ 24,140,156	\$ 51,687,556

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City of Calexico
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	\$ 37,910,190
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Amounts reported for governmental activities in the Statement of Net Assets were different because:

Capital assets used in governmental activities were not current financial resources and therefore were not reported in the governmental funds.

Nondepreciable	17,398,534
Depreciable, net of accumulated depreciation	58,978,449
Total capital assets	76,376,983

Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.

Compensated absences - due within one year	(102,149)
Compensated absences - due in more than one year	(1,467,135)
Long-term liabilities - due within one year	(1,642,464)
Long-term liabilities - due in more than one year	(28,421,517)
Total OPEB liability	(30,025,193)
Aggregate net pension liability	(24,483,077)
Total reported in Government-Wide Statement of Net Position	(86,141,535)

Pension-related deferred outflows/inflows of resources in the governmental activities were not current financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.

Pension-related deferred outflows of resources	5,372,391
Pension-related deferred inflows of resources	(1,497,405)

OPEB-related deferred outflows/inflows of resources in the governmental activities were not current financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.

OPEB-related deferred outflows of resources	3,847,955
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Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.

	(171,812)
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Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.

	732,329
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Net Position of Governmental Activities

	\$ 36,429,096
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City of Calexico
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds			
	General	LTA Measure D	Measure D	Measure H
	Fund	Special Revenue Fund	Capital Projects Fund	Capital Projects Fund
REVENUES:				
Property taxes	\$ 2,848,208	\$ -	\$ -	\$ -
Other taxes	8,276,170	-	-	-
Licenses and permits	1,771,426	-	-	-
Intergovernmental	3,554,510	1,045,280	-	-
Charges for services	1,798,728	-	-	-
Fines and forfeitures	131,941	-	-	-
Use of money and property	571,243	5,345	1,706	368
Other revenues	15,304	-	-	-
Total revenues	18,967,530	1,050,625	1,706	368
EXPENDITURES:				
Current:				
General government	3,372,070	-	-	-
Public safety	10,450,164	-	-	-
Public works	909,657	150,000	-	-
Culture and recreation	815,845	-	-	-
Planning and building	677,159	-	-	-
Housing	86,418	-	-	-
Capital outlay	98,504	97,353	5,122,814	4,446,944
Debt service:				
Principal	33,600	-	-	-
Interest and fiscal charges	10,756	-	-	-
Total expenditures	16,454,173	247,353	5,122,814	4,446,944
REVENUES OVER (UNDER)				
EXPENDITURES	2,513,357	803,272	(5,121,108)	(4,446,576)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	355,622	-	-
Transfers out	(1,520,154)	-	-	-
Total other financing sources (uses)	(1,520,154)	355,622	-	-
NET CHANGE IN FUND BALANCE	993,203	1,158,894	(5,121,108)	(4,446,576)
FUND BALANCES:				
Beginning of year	1,005,763	8,275,157	7,669,501	6,504,953
End of year	\$ 1,998,966	\$ 9,434,051	\$ 2,548,393	\$ 2,058,377

City of Calexico
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds		
	Other	Non-Major	Total
	Operating Grants	Governmental Funds	Governmental Funds
REVENUES:			
Property taxes	\$ -	\$ -	\$ 2,848,208
Other taxes	-	-	8,276,170
Licenses and permits	-	-	1,771,426
Intergovernmental	6,728,388	5,883,935	17,212,113
Charges for services	-	2,727,178	4,525,906
Fines and forfeitures	-	-	131,941
Use of money and property	-	46,970	625,632
Other revenues	-	7,844	23,148
Total revenues	6,728,388	8,665,927	35,414,544
EXPENDITURES:			
Current:			
General government	35,285	305,516	3,712,871
Public safety	-	765,338	11,215,502
Public works	-	3,721,448	4,781,105
Culture and recreation	-	40,763	856,608
Planning and building	35,837	4,688	717,684
Housing	6,657,266	109,146	6,852,830
Capital outlay	-	1,002,645	10,768,260
Debt service:			
Principal	-	1,510,000	1,543,600
Interest and fiscal charges	-	1,276,550	1,287,306
Total expenditures	6,728,388	8,736,094	41,735,766
REVENUES OVER (UNDER)			
EXPENDITURES	-	(70,167)	(6,321,222)
OTHER FINANCING SOURCES (USES):			
Transfers in	23,336	1,590,296	1,969,254
Transfers out	-	(449,100)	(1,969,254)
Total other financing sources (uses)	23,336	1,141,196	-
NET CHANGE IN FUND BALANCE	23,336	1,071,029	(6,321,222)
FUND BALANCES:			
Beginning of year	(23,336)	20,799,374	44,231,412
End of year	\$ -	\$ 21,870,403	\$ 37,910,190

City of Calexico
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (6,321,222)

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. Capital outlay expenditures were included in the Statement of Revenues, Expenditures, and Changes in Fund Balances throughout various departments. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. 10,768,260

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in governmental funds. (3,672,895)

Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Changes in pension-related deferred outflows of resources	670,879
Changes in net pension liabilities	(1,457,410)
Changes in pension-related deferred inflows of resources	116,925

Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Changes in OPEB related deferred outflows of resources	1,408,881
Changes in total OPEB liabilities	(8,778,864)
Changes in OPEB-related deferred inflows of resources	6,197,065

Long-term compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, the change in long-term compensated absences was not reported as an expenditure in governmental funds. (153,441)

Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Principal payment	1,510,000
Capital lease payment	33,600

Amortization expenses were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, amortization expenses were not reported as expenditures in the Governmental Funds.

Bond premiums	106,825
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Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. The following amount represents the change in accrued interest from the prior year. 9,734

Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds was reported with governmental activities. 669,165

Change in Net Position of Governmental Activities \$ 1,107,502

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Enterprise Fund – This fund accounts for the operation and maintenance of the City’s water distribution system.

Wastewater Enterprise Fund – This fund accounts for the operation and maintenance of the City’s wastewater collection system, the wastewater treatment facility, and the recycled water disposal system.

Airport Enterprise Fund – This fund is used to account for the operation and maintenance of the City's airport.

City of Calexico
Statement of Net Position
Proprietary Funds
June 30, 2021

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
ASSETS					
Current assets:					
Cash and investments	\$ 5,764,390	\$ 24,551,376	\$ 78,654	\$ 30,394,420	\$ 135,000
Accounts receivable, net	3,142,753	-	-	3,142,753	62,806
Intergovernmental receivables	-	-	51,510	51,510	-
Due from other funds	-	-	-	-	4,467,493
Deposits	-	-	-	-	175,000
Inventories and prepaid items	-	-	39,141	39,141	170,513
Total current assets	8,907,143	24,551,376	169,305	33,627,824	5,010,812
Noncurrent assets:					
Cash and investments with fiscal agents	14,547,976	24,220,351	-	38,768,327	-
Capital assets:					
Non-depreciable	2,537,721	2,414,540	275,854	5,228,115	-
Depreciable, net	33,106,500	7,899,694	3,322,838	44,329,032	-
Total net capital assets	35,644,221	10,314,234	3,598,692	49,557,147	-
Total noncurrent assets	50,192,197	34,534,585	3,598,692	88,325,474	-
Total assets	59,099,340	59,085,961	3,767,997	121,953,298	5,010,812
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding, net	82,010	-	-	82,010	-
Pension-related deferred outflows of resources	746,725	500,771	-	1,247,496	-
OPEB-related deferred outflows of resources	710,118	491,861	-	1,201,979	-
Total deferred outflows of resources	1,538,853	992,632	-	2,531,485	-

City of Calexico
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2021

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
LIABILITIES					
Current liabilities:					
Accounts payable	341,080	80,302	5,350	426,732	623,739
Accrued payroll	8,538	5,736	438	14,712	23,680
Interest payable	89,008	124,433	-	213,441	-
Compensated absences - due within one year	8,293	1,848	-	10,141	-
Claims payable - due within one year	-	-	-	-	1,663,064
Long-term debt - due within one year	334,072	436,926	-	770,998	-
Total current liabilities	780,991	649,245	5,788	1,436,024	2,310,483
Noncurrent liabilities:					
Deposits payable	232,881	-	512	233,393	-
Compensated absences - due in more than one year	239,928	121,418	-	361,346	-
Total OPEB liability	5,540,973	3,837,935	-	9,378,908	-
Aggregate net pension liability	3,457,457	2,318,654	-	5,776,111	-
Claims payable - due in more than one year	-	-	-	-	1,968,000
Long term debt - due in more than one year	17,033,834	23,748,963	-	40,782,797	-
Total noncurrent liabilities	26,505,073	30,026,970	512	56,532,555	1,968,000
Total liabilities	27,286,064	30,676,215	6,300	57,968,579	4,278,483
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	289,619	194,226	-	483,845	-
Total deferred inflows of resources	289,619	194,226	-	483,845	-
NET POSITION					
Net investment in capital assets	32,906,301	10,348,696	3,598,692	46,853,689	-
Unrestricted	156,209	18,859,456	163,005	19,178,670	732,329
Total net position	\$ 33,062,510	\$ 29,208,152	\$ 3,761,697	\$ 66,032,359	\$ 732,329

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City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
OPERATING REVENUES:					
Charges for services	\$ 8,092,065	\$ 5,933,907	\$ 252,852	\$ 14,278,824	\$ 5,864,778
Other revenue	-	-	675	675	423,179
Total operating revenues	8,092,065	5,933,907	253,527	14,279,499	6,287,957
OPERATING EXPENSES:					
Salaries and benefits	3,335,648	2,107,727	98,141	5,541,516	-
Material, supplies, and operational expenses	2,639,660	1,779,660	195,743	4,615,063	176,800
Insurance	-	-	7,100	7,100	677,614
Claim payments	-	-	-	-	3,548,470
Claims administration	-	-	-	-	1,220,081
Depreciation	1,535,787	505,292	259,547	2,300,626	-
Total operating expenses	7,511,095	4,392,679	560,531	12,464,305	5,622,965
OPERATING INCOME (LOSS)	580,970	1,541,228	(307,004)	1,815,194	664,992
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental	-	-	63,315	63,315	-
Investment earnings	6,452	23,807	78	30,337	4,173
Interest expense	(462,399)	(632,610)	-	(1,095,009)	-
Debt issuance costs	(396,350)	(534,858)	-	(931,208)	-
Gain on disposal of assets	17,858	21,346	-	39,204	-
Total nonoperating revenues (expenses)	(834,439)	(1,122,315)	63,393	(1,893,361)	4,173
INCOME (LOSS) BEFORE TRANSFERS	(253,469)	418,913	(243,611)	(78,167)	669,165
TRANSFERS:					
Transfers in	-	-	-	-	383,000
Transfers out	-	-	-	-	(383,000)
Total transfers	-	-	-	-	-
Change in net position	(253,469)	418,913	(243,611)	(78,167)	669,165
NET POSITION:					
Beginning of year	33,315,979	28,789,239	4,005,308	66,110,526	63,164
End of year	\$ 33,062,510	\$ 29,208,152	\$ 3,761,697	\$ 66,032,359	\$ 732,329

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 7,698,645	\$ 5,934,944	\$ 254,253	\$ 13,887,842	\$ 6,344,910
Cash payments to suppliers for goods and services	(2,426,432)	(1,820,269)	(222,366)	(4,469,067)	(1,672,785)
Cash payments to employees for services	(2,586,922)	(1,691,872)	(97,994)	(4,376,788)	(3,291,993)
Net cash provided by (used in) operating activities	2,685,291	2,422,803	(66,107)	5,041,987	1,380,132
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Principal paid on noncapital-related debt	-	-	-	-	(843,133)
Cash payments to other funds	-	-	-	-	(2,683,175)
Transfers in	-	-	-	-	383,000
Transfers out	-	-	-	-	(383,000)
Net cash (used in) noncapital financing activities	-	-	-	-	(3,526,308)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(2,381,170)	(435,982)	(14,594)	(2,831,746)	-
Proceeds from sale of capital assets	16,386	25,474	-	41,860	-
Intergovernmental grants	-	-	11,805	11,805	-
Proceeds from issuance of bonds	17,687,907	24,716,440	-	42,404,347	-
Principal payments on bonds	(12,010,000)	(580,000)	-	(12,590,000)	-
Principal payments on capital leases	(38,311)	(26,708)	-	(65,019)	-
Interest payments on debt	(590,145)	(574,892)	-	(1,165,037)	-
Payment of debt issuance costs	(396,350)	(534,858)	-	(931,208)	-
Net cash provided by (used in) capital and related financing activities	2,288,317	22,589,474	(2,789)	24,875,002	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	6,452	23,807	78	30,337	4,173
Net cash provided by investing activities	6,452	23,807	78	30,337	4,173
Net increase (decrease) in cash and cash equivalents	4,980,060	25,036,084	(68,818)	29,947,326	(2,142,003)
CASH AND CASH EQUIVALENTS:					
Beginning of year	15,332,306	23,735,643	147,472	39,215,421	2,277,003
End of year	\$ 20,312,366	\$ 48,771,727	\$ 78,654	\$ 69,162,747	\$ 135,000
RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION:					
Cash and investments	\$ 5,764,390	\$ 24,551,376	\$ 78,654	\$ 30,394,420	\$ 135,000
Cash and investments with fiscal agents	14,547,976	24,220,351	-	38,768,327	-
Total cash and investments	\$ 20,312,366	\$ 48,771,727	\$ 78,654	\$ 69,162,747	\$ 135,000

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 580,970	\$ 1,541,228	\$ (307,004)	\$ 1,815,194	\$ 664,992
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,535,787	505,292	259,547	2,300,626	-
Changes in operating assets and liabilities:					
Accounts receivable	(394,993)	1,037	214	(393,742)	15,454
Inventories and prepaid items	773	5,661	(18,724)	(12,290)	(47,784)
Pension-related deferred outflows	(177,468)	(93,106)	-	(270,574)	-
OPEB-related deferred outflows	(254,023)	(177,791)	-	(431,814)	-
Accounts payable	212,455	(46,270)	(799)	165,386	61,591
Accrued payroll	5,307	2,730	147	8,184	(248,617)
Deposits payable	1,573	-	512	2,085	-
Compensated absences	11,628	10,370	-	21,998	-
Aggregate net pension liability	759,580	386,610	-	1,146,190	-
Total OPEB liability	1,568,016	1,102,129	-	2,670,145	-
Claims payable	-	-	-	-	934,496
Pension-related deferred inflows	(5,494)	(17,115)	-	(22,609)	-
OPEB-related deferred inflows	(1,158,820)	(797,972)	-	(1,956,792)	-
Total adjustments	2,104,321	881,575	240,897	3,226,793	715,140
Net cash provided by (used in) operating activities	\$ 2,685,291	\$ 2,422,803	\$ (66,107)	\$ 5,041,987	\$ 1,380,132
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES:					
Capital assets acquired through capital leases	\$ 74,897	\$ 73,479	\$ -	\$ 148,376	\$ -
Amortization of bond premiums	47,764	66,715	-	114,479	-
Total noncash noncapital financing activities	\$ 122,661	\$ 140,194	\$ -	\$ 262,855	\$ -

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FIDUCIARY FUND FINANCIAL STATEMENTS

Custodial Funds – These funds are used to account for money and property held by the City as trustee or custodian. Such funds include Corsair 2013-1 Gran Plaza CFD, Towncenter CFD, Hearthstone 2005-1 CFD, and Venezia CFD.

Successor Agency to the Calexico Redevelopment Agency Private Purpose Trust Fund – This fund is used to account for monies received from the Imperial County Auditor-Controller for the repayment of the enforceable obligations of the former Redevelopment Agency of the City of Calexico. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

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City of Calexico
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>	<u>Successor Agency to the Calexico Redevelopment Agency</u>
ASSETS		
Current assets:		
Cash and investments	\$ 277,636	\$ 4,910,723
Cash and investments with fiscal agents	1,089,486	613,333
Due from other governments	13,487	-
Inventories and prepaids	-	2,267
Total current assets	<u>1,380,609</u>	<u>5,526,323</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable	-	1,106,663
Depreciable, net accumulated depreciation	-	1,663,051
Total noncurrent assets	<u>-</u>	<u>2,769,714</u>
Total assets	<u>1,380,609</u>	<u>8,296,037</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding, net	-	937,541
Total deferred outflows of resources	<u>-</u>	<u>937,541</u>
LIABILITIES		
Current liabilities:		
Accounts payable	4,771	674,015
Interest payable	-	348,073
Long-term debt - due within one year	-	1,565,000
Total current liabilities	<u>4,771</u>	<u>2,587,088</u>
Noncurrent liabilities:		
Long term debt - due in more than one year	-	20,129,136
Total noncurrent liabilities	<u>-</u>	<u>20,129,136</u>
Total liabilities	<u>4,771</u>	<u>22,716,224</u>
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organizations, and other governments	1,375,838	-
Held in trust for dissolution of RDA	-	(13,482,646)
Total net position (deficit)	<u>\$ 1,375,838</u>	<u>\$ (13,482,646)</u>

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds	Successor Agency to the Calexico Redevelopment Agency
ADDITIONS:		
Property taxes - Redevelopment Property Tax Trust Fund (RPTTF)	\$ -	\$ 2,258,544
Special assessments for other governments	872,112	-
Investment earnings	597	5,123
Total additions	872,709	2,263,667
DEDUCTIONS:		
Administration	90,271	-
Public safety	131,753	-
Depreciation	-	45,877
Enforceable obligations	-	264,332
Payments - principal	150,000	-
Payments - interest	691,444	-
Interest expense and fiscal charges	-	900,992
Contributions to City	-	277,704
Total deductions	1,063,468	1,488,905
Change in net position	(190,759)	774,762
NET POSITION:		
Beginning of year, as restated (Note 17)	1,566,597	(14,257,408)
End of year	<u>\$ 1,375,838</u>	<u>\$ (13,482,646)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Calexico
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For the Year Ended June 30, 2021

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City of Calexico
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For the Year Ended June 30, 2021

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City of Calexico
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City of Calexico
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

The basic financial statements of the City of Calexico, California (City) have been prepared in conformity with Generally Accepted Accounting Principles of the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated in April, 1908, under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such “General Law” cities. It is governed by an elected five-member council. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, culture-recreation, public improvements, planning and building (planning, building and zoning), airport, public utilities (water and wastewater), and general administrative services.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government’s operation and so data from these units are combined with data of the primary government. Discretely presents component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Calexico Financing Authority (the “Financing Authority”)

The Calexico Financing Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated as of December 1, 1990 (the “Joint Powers Agreement”) by and between the Successor Agency to the Community Redevelopment Agency of the City of Calexico (as successor in interest to the Community Redevelopment Agency of the City of Calexico) (the “Successor Agency”) and the City. Such agreement was entered into pursuant to the provisions of Articles 1, 2 and 4 29 of Chapter 5 of Division 7 of Title I of the California Government Code (the “Act”). The Authority was created for the purpose of assisting the financing or refinancing of certain public capital facilities within the City. Under the Act, the Authority may purchase bonds issued by any local agency at public or negotiated sale and may sell bonds to public or private purchasers at public or negotiated sale. The Authority is governed by a five-member board of directors, which consists of the members of the City Council of the City. The Mayor acts as the Chair of the Authority, the City Manager as its Executive Director, the City Clerk as its Secretary and the Finance Director of the City as the Treasurer of the Authority. The Authority, the City, and the Successor Agency are each separate and distinct legal entities, and the debts and obligations of each such entity are not debts or obligations of the other entity. Under the provisions of State law, the Community Redevelopment Agency of the City of Calexico was statutorily dissolved and succeeded by the Successor Agency with respect to the Joint Powers Agreement. The Authority reasonably expects that the existence of the Successor Agency will continue through at least August 1, 2033, which is later than the last maturity of the Bonds. Nonetheless, under the Trust Agreement, the Authority has covenanted to take or cause to be taken all actions reasonably necessary to continue the Authority’s existence until such time as the Bonds are no longer Outstanding under the Trust Agreement, including but not limited to the addition of one or more new members to the Joint Powers Agreement.

Calexico Housing Authority (the “Housing Authority”)

The Housing Authority was formed on January 31, 2012 to develop or acquire and subsequently operate rental housing projects within the City. The Housing Authority does not issue separate financial statements.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Government Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues, with the exception of grant revenues, for which the availability period is one year.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government Fund Financial Statements (Continued)

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund – This fund accounts for all revenues and expenditures to finance the traditional services associated with a municipal government which are not accounted for in the other funds.

LTA Measure D Special Revenue Fund – This fund accounts for revenues from 0.5% retail and use tax used for transportation improvements to repair and rehabilitate existing roadways, reduce congestion and improve safety, and to provide for construction of needed facilities. The reported tax revenue amounts are net of amounts deposited directly to the Measure D Debt service fund which are pledged for the payment of Measure D Sales Tax Revenue Bonds.

Measure D Capital Projects Fund – This fund accounts for the capital outlay of bond proceeds issued to finance transportation improvements to repair and rehabilitate existing roadways, reduce congestion and improve safety, and to provide for construction of needed facilities.

Measure H Capital Projects Fund – This fund accounts for the capital outlay of bond proceeds issued to finance a fire station and various park and recreation improvements.

Other Operating Grants Special Revenue Fund – This fund accounts for revenues from intergovernmental operating grants that are not included specified grant funds.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Proprietary funds are supported by user fees or other restricted grant revenues and their resources in the funds are not available for general city operations. In California, voters have enacted limitations on the ability of local governments to assess taxes for general operations. User fees are an important alternate revenue tool that is available to local governments to finance specific municipal services. Because user rates are set with a nexus to the cost of service supporting the fee, they may be set by the local government outside of tax limitations. However, if user fees are redirected outside of their source program, they would no longer have a nexus to the cost of service, and would cause the revenue to become an unauthorized general tax.

The City reports the following major proprietary funds:

Water Enterprise Fund – This fund accounts for the operation and maintenance of the City’s water distribution system.

Wastewater Enterprise Fund – This fund accounts for the operation and maintenance of the City’s wastewater collection system, the wastewater treatment facility, and the recycled water disposal system.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund. The City’s custodial funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. These funds are used to account for money and property held by the City as trustee or custodian. The City established Custodial funds and used to account for money and property held by the City as trustee or custodian.

The City’s private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency for the City of Calexico. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

Successor Agency of the Redevelopment Agency for the City of Calexico

The Redevelopment Obligation Retirement Fund (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the Redevelopment Agency (RDA) on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved RDA. The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency’s assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Successor Agency of the Redevelopment Agency for the City of Calexico (Continued)

In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency’s custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund.

C. Deferred Outflows and Inflows of Resources

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports Deferred Outflows of Resources for pension contributions made after the measurement date and for other pension and OPEB actuarial losses being amortized over time. See more information relating to these items in Note 9 – Pension Plans and Note 10 - Other Postemployment Benefits.

Deferred Inflows of Resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports Deferred Inflows of Resources for grant revenues not collected within the availability period. The City also reports Deferred Inflows of Resources for pension and OPEB actuarial losses being amortized over time. See more information relating to these items in Note 9 – Pension Plans and Note 10 - Other Postemployment Benefits.

D. Cash, Cash Equivalents and Investments

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

E. Restricted Cash and Investments

Certain restricted cash and investments are held by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

F. Fair Value Measurement

United States generally accepted accounting principles defines fair value, establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

G. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

H. Inventories and Prepaid Items

Inventories within the proprietary fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Prepaid items are items that the City has paid for in advance and will provide a future benefit.

I. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$10,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Asset Type	Years
Land improvements	20 years
Buildings and improvements	25-50 years
Machinery and equipment	5-20 years
Licensed vehicles	8 years
Infrastructure	15-65 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, water, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

For all infrastructure systems, the City estimated the original historical cost, defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition for all property in existence when the City first reported infrastructure assets. The City estimated the original historical cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Estimated original historical costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the estimated original historical cost.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction-related debt incurred during the period of construction for business-type and proprietary funds is capitalized as a cost of the constructed assets. Capital assets acquired under capital leases are capitalized at the net present value of the total lease payments.

Capital Assets Acquired Under Lease Purchase Contracts

The long-term principal portion of debt on capital assets acquired through lease purchase contracts is accounted for in the government-wide financial statements as “long-term debt – due within one year” or “long-term debt – due in more than one year”. A capital asset is recorded at the net present value of the total lease payments in the government-wide financial statements.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

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

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

K. 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 Retiree Benefits Plan (“OPEB Plan”) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 10). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

L. Compensated Absences

It is the City’s policy to accrue annual leave when incurred in the government-wide financial statements and in proprietary funds.

A liability is recorded for unused sick leave and unpaid vacation balances if it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused leave balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. The amounts accrued for financial statement purposes represent 100 percent of the vacation pay liability at June 30, 2021. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefit that is estimated will be paid at retirement.

M. Unearned Revenue

Unearned revenue recorded in the Government-Wide Statement of Net Position for governmental activities, business-type activities, the governmental fund financial statements, and the proprietary fund financial statements, consist of federal and state capital grants, representing voluntary nonexchange transactions, for which advance payments have been received from the provider for which eligibility requirements, other than timing requirements, have not been satisfied as well as rents received in advance.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

N. Long-Term Debt

Government-Wide Financial Statements

Long-term debt obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable premium or discount.

Fund Financial Statements

The fund financial statements do not present long-term debt but debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

O. Net Position

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, increased by an unspent capital-related debt proceeds and capital-related debt deferred inflows of resources, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

P. Fund Balances

For governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long-term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources which are constrained, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision-making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

P. Fund Balances (Continued)

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. On June 29, 2011, the City Council adopted Resolution 2011 77 adopting the fund balance policy authorizing the Finance Director; with concurrence of the City Manager and City Council, to make the determination.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories.

Q. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City’s policy is to apply restricted net position first.

Governmental Fund Financial Statements

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

R. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property valuations – are established by the Assessor of the County of Imperial (County) for the secured and unsecured property tax roll; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), property is assessed at 100 percent of purchase price or value in 1978 whichever is later. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent per year. However, increases to current value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levies – are limited to 1 percent of full value which results in a tax rate of \$1 per \$100 assessed valuation, under the provision of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax levy dates – are attached annually on January 1 of the preceding fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property and are not relieved by subsequent renewal or change in ownership.

Tax collections – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility tax rolls constitute a lien against the property and may be paid in two installments; the first installment is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second installment is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Penalties are imposed by the County for late payment.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

R. Property Taxes (Continued)

Tax levy apportionments – Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented by the total City-wide levy compared to the total County for the three years prior to fiscal year 1979.

Property tax administration fees – the State’s Fiscal Year 1990-91 Budget Act authorized counties to collect administrative fees for collection and distribution of property taxes. Property taxes are recorded net of administrative fees withheld during the fiscal year.

S. Use of Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions, in some cases when applicable, that affect the amounts in the financial statements and the accompanying notes. Actual results could differ from the estimates.

T. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2021

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2020. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Application of this statement is effective for the City’s fiscal year ending June 30, 2021. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$1,566,597. See note 17.

GASB Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2021.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

T. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2021 (Continued)

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests— An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 98

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material financial effect on the City’s financial statements for the fiscal year ending June 30, 2021.

U. Upcoming Governmental Accounting Standards Implementation

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

U. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

U. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

Note 2 – Cash and Investments

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

	Primary Government			Fiduciary Funds	Total
	Governmental Activities	Business-type Activities	Total		
Cash and investments	\$ 23,916,816	\$ 30,394,420	\$ 54,311,236	\$ 5,188,359	\$ 59,499,595
Cash and investments with fiscal agent	17,260,502	38,768,327	56,028,829	1,702,819	57,731,648
Total	\$ 41,177,318	\$ 69,162,747	\$ 110,340,065	\$ 6,891,178	\$ 117,231,243

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

Cash and cash equivalents:	
Petty cash	\$ 6,350
Demand deposits	7,260,630
Investments:	
Local Agency Investment Fund	52,232,615
Money market funds	57,731,648
Total	\$ 117,231,243

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

At June 30, 2021, cash and investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2021:

Investments measured by fair value level:	June 30, 2021	Level 1	Level 2	Level 3
Held by bond trustee:				
Money market mutual funds	\$ 57,731,648	\$ -	\$ 57,731,648	\$ -
Total investments by fair value level	\$ 57,731,648	\$ -	\$ 57,731,648	\$ -
Investments not subject to the fair value hierarchy:				
Local Agency Investment Fund - State of CA	\$ 52,232,615			
Total investments not subject to the fair value hierarchy	\$ 52,232,615			
Total investments	\$ 109,964,263			

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$7,260,630 at June 30, 2021. Bank balances were \$7,433,718 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Certificates of Deposit	1 year	Unlimited	None
State of California Local Agency Investment Fund	N/A	N/A	\$75,000,000
Savings Accounts	Unlimited	Unlimited	None
U.S. Treasury Obligations	3 years	Unlimited	None
U.S. Government Agency Issues	3 years	Unlimited	None
Repurchase Agreements	3 years	Unlimited	None

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Certificates of Deposit	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Municipal Obligations, Prime Quality	None	None	None
Banker's Acceptances, Prime Quality	360 days	None	None
Commercial Paper, Prime Quality	270 days	None	None
Money Market Funds, Prime Quality	N/A	None	None
Investment Contracts	None	None	None
Repurchase Agreements, Approve by Bond Issuer	None	None	None

D. External Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2021 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had \$52,232,615 invested in LAIF, which had invested 1.10% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2021, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2021.

E. Risk Disclosures

Disclosures Relating to 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, the greater the sensitivity its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2021:

	Amount	Maturities
		1 year or less
Investments:		
Local Agency Investment Fund	\$ 52,232,615	\$ 52,232,615
Money market funds	57,731,648	57,731,648
Total	\$ 109,964,263	\$ 109,964,263

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations.

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. However, some issuers do not seek a credit rating. For instance, the California Local Agency Investment Fund (LAIF) has not sought or received a credit rating. In these cases, the purchaser is solely responsible for performing their own due diligence before purchasing an investment or participating in an external investment pool. Certificates of deposit of \$250,000 or less are fully insured by the Federal Deposit Insurance Corporation (FDIC), and therefore, do not seek a credit rating.

Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	Amount	Credit Quality Ratings	
		Moody's	Standard & Poor's
Investments:			
Local Agency Investment Fund	\$ 52,232,615	Not Rated	Not Rated
Money market funds	57,731,648	Not Rated	Not Rated
Total	\$ 109,964,263		

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Disclosures Relating to 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 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.

At June 30, 2021, the City’s deposits (bank balances) were collateralized under California Law. All securities, with the exception of LAIF and other pooled investments, are held by a third-party custodian (BNY Western Trust). BNY is a registered member of the Federal Reserve Bank.

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated in the Gov't Code. GASB Statement No. 40 requires disclosure by amount and issuer, of investments in any one issuer that represent 5% or more of total investments. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the City's total investments are as follows:

Investment Type	Total as of June 30, 2021	Percentage of Investments
Investments:		
Local Agency Investment Fund	\$ 52,232,615	47.50%
Money market funds	57,731,648	52.50%
Total	\$ 109,964,263	

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Notes and Loans Receivable and Allowance for Doubtful Accounts

The City and Successor Agency have issued various long-term notes and loans receivable to support affordable housing and development objectives. The City reports its long-term notes and related interest receivable fully offset with an allowance on the Government-Wide Statement of Net Position, the Governmental Funds Balance Sheet, and the Statement of Fiduciary Net Position due to the uncertain nature of long-term affordable housing and development loans.

At June 30, 2021, notes and loans receivable consisted of the following:

	Notes/Loans Receivable			Notes/Loans	Allowance for	Financial
	Balance			Receivable	Doubtful Accounts	Statement
	7/1/2020	Additions	Deletions	Balance 6/30/2021	Balance 6/30/2021	Balance 6/30/2021
<u>City:</u>						
Calexico Community Action Council	\$ 306,377	\$ -	\$ -	\$ 306,377	\$ (306,377)	\$ -
De Anza Limited Partnership #1	422,977	-	-	422,977	(422,977)	-
De Anza Limited Partnership #3	5,000,000	-	-	5,000,000	(5,000,000)	-
De Anza Renovation	759,332	-	-	759,332	(759,332)	-
Victoria Manor Senior Apartments	200,000	-	-	200,000	(200,000)	-
California Family Apartments, LP	400,000	-	-	400,000	(400,000)	-
California Family Apartments II, LP	3,400,000	-	-	3,400,000	(3,400,000)	-
HPD Villa De l'Este, LP	1,363,887	-	-	1,363,887	(1,363,887)	-
Villa Primavera Family Apartments loan	5,100,000	-	-	5,100,000	(5,100,000)	-
Other loans	10,644,834	147,500	(194,767)	10,597,567	(10,597,567)	-
City notes and loans receivable total	<u>27,597,407</u>	<u>147,500</u>	<u>(194,767)</u>	<u>27,550,140</u>	<u>(27,550,140)</u>	<u>-</u>
<u>Successor Agency:</u>						
Other loans	320,757	-	-	320,757	(320,757)	-
Successor Agency notes and loans receivable	<u>320,757</u>	<u>-</u>	<u>-</u>	<u>320,757</u>	<u>(320,757)</u>	<u>-</u>
Total Notes and loans receivable	<u>\$ 27,918,164</u>	<u>\$ 147,500</u>	<u>\$ (194,767)</u>	<u>\$ 27,870,897</u>	<u>\$ (27,870,897)</u>	<u>\$ -</u>

Calexico Community Action Council

On September 11, 1996, the City issued a promissory note to Calexico Community Action Council to supersede a prior note for development of the Alejandro Rivera Senior Citizens Apartments II. The note bears an interest rate of 6.5% per annum. Annual payments are based on an estimated amount of the profit and shall be due and payable on December 31 of each year until the entire principal amount is paid off. At June 30, 2021, the outstanding balance was \$306,377.

De Anza Limited Partnership #1

In 1997, the City loaned De Anza Limited Partnership the amount of \$422,977 for the De Anza Hotel construction project. The note is secured by property. The note bears interest at a rate of 3% per annum and is due on the 16th anniversary of the date the project was placed in service. At June 30, 2021, the outstanding balance of the note was \$422,977.

De Anza Limited Partnership #3

On February 12, 2012, the City loaned De Anza Limited Partnership \$5,000,000 for the construction of a 54-unit apartment complex, subject to the completion of the project. The note is secured by a first assignment of leases and rents, and a deed of trust. The note bears an interest rate of 3% per annum and is due and payable in full in 55 years from the completion of the project. The City received the notice of project completion on December 12, 2012. At June 30, 2021, the outstanding balance of the note was \$5,000,000.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Notes and Loans Receivable and Allowance for Doubtful Accounts (Continued)

De Anza Renovation

On September 21, 2010, the City authorized the De Anza Limited Partnership to borrow up to \$760,000 for the De Anza Hotel earthquake rehabilitation and repair project. Borrowings are secured by a first assignment of leases and rents, and a deed of trust. Borrowings bear an interest rate of 3% per annum and are payable from residual receipts in the amount of 40% of the residual receipts and in no event less than \$1,000 per year beginning March 30, 2011. At June 30, 2021, the outstanding balance of the note was \$759,332.

Victoria Manor Senior Apartments

On October 19, 2010, the City loaned the Housing Authority of the City of Calexico (“Authority”) \$200,000 in order for the Authority to purchase certain real property. The note is secured by a deed of trust on the property. The note bears an interest rate of 6.25% per annum and is due at the earlier of the commencement of the term for the option agreement included with the note or nine years from the execution of the note. At June 30, 2021, the outstanding balance of the note was \$200,000.

California Family Apartments, LP

On October 21, 2002, the City loaned CFA Limited Partnership \$400,000 for affordable housing projects. This note is secured by a deed of trust. The note bears interest at 6% per annum. Principal and accrued interest shall be repaid beginning on April 15, 2004 and each April 15 thereafter until repaid in full. All outstanding principal and accrued interest shall be due in full on the earlier of the eighteenth anniversary of the date of this note or the sale or other transfer of the property. At June 30, 2021, the outstanding balance of the note was \$400,000.

California Family Apartments II, LP

On November 1, 2006, the Agency loaned Calexico II, LP \$3,400,000 for affordable housing projects. The note bears interest at 3% and is payable annually within 90 days following the end of each calendar year, contingent upon the LP realizing a profit. At June 30, 2021, the outstanding balance of the note was \$3,400,000.

HPD Villa Del Este, LP

On June 30, 2008, the Agency loaned HPD Villa Del Este, LP \$1,363,887 for affordable housing projects. The note is secured by a deed of trust. The note bears interest at 3% per annum. Principal and accrued interest shall be repaid beginning January 1, 2018, for each preceding calendar year in which there was a cash flow balance, and continuing annually on the first day of each and every year thereafter for the remainder of the term in which there is a cash flow balance. At June 30, 2021, the outstanding balance of the note was \$1,363,887.

Villa Primavera, LLP

On November 4th, 2014, the City approved a loan to Villa Primavera CIC, LP an amount not to exceed \$5,100,000 for an affordable housing project for low income and senior citizens. The note is secured by a deed of trust. This promissory note bears interest at a rate of 3% per annum with a term of 55 years. Principal and accrued interest shall be repaid beginning from the date of Project Completion as defined by 24CFT 92.2, wherein the project must meet the affordability requirements contained herein. At June 30, 2021, the outstanding balance of the note was \$5,100,000.

Other Loans

The City and Successor Agency have established various loan programs that assist residents of the City in purchasing and/or rehabilitating their homes and for business development. These loans are in the form of fully amortized or deferred loans. The deferred loans are usually due upon sale of property. At June 30, 2021, the outstanding balance of the City and Successor Agency loans were \$10,597,567 and \$320,757, respectively.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Interfund Transactions

A. Due To and Due From Other Funds

Due from and to other funds as of June 30, 2021, for short-term borrowing pending subsequent grant, tax, or fee reimbursement, were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Solid Waste Special Revenue Fund	General Fund	\$ 662,113	Overdrawn Cash (A)
Bravo-Victoria Eastside Village Assessment Special Revenue Fund	General Fund	534,161	Overdrawn Cash (A)
	Subtotal	<u>1,196,274</u>	
Community Donations Special Revenue Fund	El Portal Special Revenue Fund	8,205	Overdrawn Cash (D)
Community Donations Special Revenue Fund	Operation Stonegarden Special Revenue Fund	9,744	Overdrawn Cash (B)
Community Donations Special Revenue Fund	HIDTA Special Revenue Fund	2,779	Overdrawn Cash (B)
Community Donations Special Revenue Fund	New River Grants Capital Projects Fund	46,176	Overdrawn Cash (B)
	Subtotal	<u>66,904</u>	
General Capital Projects Fund	Capital Grants Capital Projects Fund	459,844	Overdrawn Cash (B)
General Capital Projects Fund	DIF - Fire Capital Projects Fund	132,764	Overdrawn Cash (D)
General Capital Projects Fund	New River Grants Capital Projects Fund	25,225	Overdrawn Cash (B)
	Subtotal	<u>617,833</u>	
General Liability Internal Service Fund	New River Grants Capital Projects Fund	50,085	Overdrawn Cash (B)
	Prop 172 Public Safety Sales		
General Liability Internal Service Fund	Tax Special Revenue Fund	236,099	Overdrawn Cash (B)
General Liability Internal Service Fund	FEMA Special Revenue Fund	315,000	Overdrawn Cash (B)
General Liability Internal Service Fund	State COPS Grant Special Revenue Fund	232,387	Overdrawn Cash (B)
General Liability Internal Service Fund	Measure H Capital Projects Fund	731,840	Overdrawn Cash (B)
	Subtotal	<u>1,565,411</u>	
Payroll Internal Service Fund	Measure H Capital Projects Fund	133,517	Overdrawn Cash (C)
Medical Active Internal Service Fund	Measure H Capital Projects Fund	397,161	Overdrawn Cash (C)
Medical Retirees Internal Service Fund	Measure H Capital Projects Fund	347,498	Overdrawn Cash (C)
Workers' Compensation Internal Service Fund	Measure H Capital Projects Fund	2,018,398	Overdrawn Cash (C)
Unemployment Insurance Internal Service Fund	Measure H Capital Projects Fund	5,508	Overdrawn Cash (C)
	Subtotal	<u>2,902,082</u>	
Measure D Special Revenue Fund	Measure D Capital Projects Fund	2,983,994	Overdrawn Cash (C)
	Total	<u>\$ 9,332,498</u>	

- (A) Reimbursement is pending taxes receivable.
- (B) Reimbursement is pending grants receivable.
- (C) Reimbursement is pending bond fund drawdown.
- (D) Reimbursement is pending receipt of developer fees.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Interfund Transactions (Continued)

B. Transfers In/Out

Transfers in and out for the year ended June 30, 2021, were as follows:

Transfers In	Transfers Out	Amount	Purpose
General Capital Projects Fund	General Fund	\$ 523,000	Capital projects
Measure H Debt Service Fund	General Fund	997,154	Debt Service
	Subtotal	<u>1,520,154</u>	
General Liability Internal Service Fund	Medical Retirees Internal Service Fund	118,000	Operations
General Liability Internal Service Fund	Workers' Compensation Internal Service Fund	200,000	Operations
General Liability Internal Service Fund	Unemployment Insurance Internal Service Fund	65,000	Operations
	Subtotal	<u>383,000</u>	
Business Improvement District Special Revenue Fund	Solid Waste Special Revenue Fund	3,142	Operations
Other Operating Grants Special Revenue Fund	TDA Special Revenue Fund	23,336	Operations
Local Housing Programs Special Revenue Fund	Successor Housing Special Revenue Fund	67,000	Operations
LTA Measure D Special Revenue Fund	Capital Grants Capital Projects Fund	355,622	Capital projects
	Total	<u>\$ 2,352,254</u>	

Note 5 – Capital Assets

A. Governmental Activities

The following is a summary of changes in capital assets for the governmental activities:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Non-depreciable Assets:					
Land	\$ 5,511,772	\$ -	\$ -	\$ -	\$ 5,511,772
Construction in progress	22,990,758	10,275,292	-	(21,379,288)	11,886,762
Total non-depreciable assets	<u>28,502,530</u>	<u>10,275,292</u>	<u>-</u>	<u>(21,379,288)</u>	<u>17,398,534</u>
Depreciable Assets:					
Building and improvements	21,793,161	121,894	-	64,250	21,979,305
Machinery and equipment	11,006,100	371,074	-	-	11,377,174
Infrastructure	107,201,495	-	-	21,315,038	128,516,533
Total depreciable assets, at cost	<u>140,000,756</u>	<u>492,968</u>	<u>-</u>	<u>21,379,288</u>	<u>161,873,012</u>
Less accumulated depreciation:					
Building and improvements	(11,602,716)	(453,940)	-	-	(12,056,656)
Machinery and equipment	(8,721,950)	(472,355)	-	-	(9,194,305)
Infrastructure	(78,897,002)	(2,746,600)	-	-	(81,643,602)
Total accumulated depreciation	<u>(99,221,668)</u>	<u>(3,672,895)</u>	<u>-</u>	<u>-</u>	<u>(102,894,563)</u>
Total depreciable assets, net	<u>40,779,088</u>	<u>(3,179,927)</u>	<u>-</u>	<u>21,379,288</u>	<u>58,978,449</u>
Total governmental activities	<u>\$ 69,281,618</u>	<u>\$ 7,095,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,376,983</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

General government	\$	153,919
Public safety		349,067
Public works		3,021,965
Culture and recreation		145,675
Planning and building		2,169
Housing		100
Total depreciation expense	\$	<u>3,672,895</u>

B. Business-Type Activities

The following is a summary of changes in capital assets for business-type activities:

	Balance July 1, 2020	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2021
Non-depreciable Assets:					
Land	\$ 281,615	\$ -	\$ -	\$ -	\$ 281,615
Construction in progress	2,461,537	2,484,963	-	-	4,946,500
Total non-depreciable assets	<u>2,743,152</u>	<u>2,484,963</u>	<u>-</u>	<u>-</u>	<u>5,228,115</u>
Depreciable Assets:					
Building and improvements	37,017,197	-	-	-	37,017,197
Machinery and equipment	20,180,311	495,159	(174,255)	-	20,501,215
Infrastructure	23,333,475	-	-	-	23,333,475
Total depreciable assets, at cost	<u>80,530,983</u>	<u>495,159</u>	<u>(174,255)</u>	<u>-</u>	<u>80,851,887</u>
Less accumulated depreciation:					
Building and improvements	(17,058,148)	(642,817)	-	-	(17,700,965)
Machinery and equipment	(9,170,807)	(1,133,822)	58,960	-	(10,245,669)
Infrastructure	(8,052,234)	(523,987)	-	-	(8,576,221)
Total accumulated depreciation	<u>(34,281,189)</u>	<u>(2,300,626)</u>	<u>58,960</u>	<u>-</u>	<u>(36,522,855)</u>
Total depreciable assets, net	<u>46,249,794</u>	<u>(1,805,467)</u>	<u>(115,295)</u>	<u>-</u>	<u>44,329,032</u>
Total business-type activities	<u>\$ 48,992,946</u>	<u>\$ 679,496</u>	<u>\$ (115,295)</u>	<u>\$ -</u>	<u>\$ 49,557,147</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2021 was as follows:

Water	\$ 1,535,787
Wastewater	505,292
Airport	259,547
Total depreciation expense	<u>\$ 2,300,626</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Capital Assets (Continued)

C. Fiduciary Funds

The following is a summary of changes in capital assets for the Fiduciary Funds:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Non-depreciable Assets:				
Land	\$ 1,106,663	\$ -	\$ -	\$ 1,106,663
Total non-depreciable assets	1,106,663	-	-	1,106,663
Depreciable Assets:				
Building and improvements	2,293,864	-	-	2,293,864
Total depreciable assets, at cost	2,293,864	-	-	2,293,864
Less accumulated depreciation:				
Building and improvements	(584,936)	(45,877)	-	(630,813)
Total accumulated depreciation	(584,936)	(45,877)	-	(630,813)
Total depreciable assets, net	1,708,928	(45,877)	-	1,663,051
Total fiduciary funds	\$ 2,815,591	\$ (45,877)	\$ -	\$ 2,769,714

Depreciation expense for capital assets of the fiduciary funds for the year ended June 30, 2021 was \$45,877.

Note 6 – Long-Term Debt

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Debt Issued	Debt Retired	Balance June 30, 2021	Classification	
					Due in One Year	Due in more than One Year
Governmental Activities:						
Publicly Offered:						
LTA Sales Tax Revenue Bonds, Series 2012B	\$ 10,600,000	\$ -	\$ (710,000)	\$ 9,890,000	\$ 735,000	\$ 9,155,000
Bond premium	17,106	-	(8,553)	8,553	-	8,553
Measure H Lease Revenue Bonds	7,755,000	-	(635,000)	7,120,000	660,000	6,460,000
Bond premium	545,963	-	(60,662)	485,301	-	485,301
LTA Sales Tax Revenue Bonds, Series 2018A	11,915,000	-	(165,000)	11,750,000	165,000	11,585,000
Bond premium	676,986	-	(37,610)	639,376	-	639,376
Privately Offered:						
Tax sharing agreement	46,000	-	-	46,000	46,000	-
Capital lease obligations	158,351	-	(33,600)	124,751	36,464	88,287
JPIA payable internal service funds:						
Workers compensation	363,956	-	(363,956)	-	-	-
General liability	479,177	-	(479,177)	-	-	-
Total governmental activities	\$ 32,557,539	\$ -	\$ (2,493,558)	\$ 30,063,981	\$ 1,642,464	\$ 28,421,517

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

LTA Sales Tax Revenue Bonds, Series 2012B

On May 1, 2012, the Imperial County Local Transportation Authority issued the 2012 LTA Sales Tax Revenue Bonds on behalf of the City in the amount of \$15,410,000. The Bonds are being issued to (i) finance certain costs associated with certain transportation projects, (ii) fund a reserve for the Bonds, and (iii) pay certain costs of issuing the Bonds. The Bonds are payable from and secured by the pledged allocable Measure D sales tax revenues of the City.

The issue consists of serial bonds in the amount \$15,410,000 payable annually on June 1 of each year, commencing on June 1, 2013 and maturing in 2032 with interest rates ranging from 3% to 4% per annum. Interest payments are due on June 1 and December 1 of each year until the bonds are paid off. At June 30, 2021, the outstanding balance of the bonds was \$9,890,000. Total principal and interest remaining on the bond is \$12,426,950, payable through 2032.

The annual debt service requirements for the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 735,000	\$ 395,800	\$ 1,130,800
2023	755,000	373,750	1,128,750
2024	795,000	336,000	1,131,000
2025	825,000	304,200	1,129,200
2026	860,000	271,200	1,131,200
2027-2031	4,835,000	812,600	5,647,600
2032	1,085,000	43,400	1,128,400
Total	\$ 9,890,000	\$ 2,536,950	\$ 12,426,950

Measure H Lease Revenue Bonds

On April 1, 2014, Calexico Financing Authority (the “Authority”) issued its Measure “H” Sales Tax/Lease Revenue Bonds, Issue of 2014 (the “Bonds”) pursuant to a trust agreement, dated as of June 1, 2014 (the “Trust Agreement”), by and among the City of Calexico (the “City”), the Authority and U.S. Bank National Association, as trustee (the “Trustee”). Proceeds of the Bonds are being used to (i) finance a portion of the costs of a new fire station headquarters and various park and recreation improvements; (ii) fund a deposit to the Reserve Account in an amount equal to the Reserve Requirement; and (iii) pay costs of issuance of the Bonds. The Bonds are payable solely from, and secured by, the trust estate and certain funds and accounts held under the Trust Agreement.

The issue consisted of serial bonds in the amount \$11,200,000 payable annually on June 1 of each year, commencing on April 1, 2013 and maturing in 2030 with interest rates ranging from 3% to 4% per annum. Interest payments are due on April 1 and October 1 of each year until the bonds are paid off. At June 30, 2021, the outstanding balance of the bonds was \$7,120,000. Total principal and interest remaining on the bond is \$8,967,500, payable through 2030.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Measure H Lease Revenue Bonds (Continued)

The annual debt service requirements for the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 660,000	\$ 335,400	\$ 995,400
2023	685,000	309,000	994,000
2024	715,000	281,600	996,600
2025	745,000	253,000	998,000
2026	780,000	215,750	995,750
2027-2030	3,535,000	452,750	3,987,750
Total	\$ 7,120,000	\$ 1,847,500	\$ 8,967,500

LTA Sales Tax Revenue Bonds, Series 2018A

In September 2018, the Imperial County Local Transportation Authority issued LTA Sales Tax Revenue Bonds (Bonds) on behalf of the City in the amount of \$12,375,000. The Bonds were issued to finance certain transportation projects, fund a reserve for the Bonds, and to pay certain cost of issuing the Bonds. The Bonds are payable from and secured by a pledge of Measure D sales tax revenues of the City.

The issue consists of serial bonds in the amount \$12,375,000 payable annually on June 1 of each year, commencing on June 1, 2019 and maturing in 2038 with interest rates ranging from 3.25% to 5% per annum. Interest payments are due on June 1 and December 1 of each year until the bonds are paid off. At June 30, 2021, the outstanding balance of the bonds was \$11,750,000. Total principal and interest remaining on the bond is \$18,001,050, payable through 2038.

The annual debt service requirements for the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 165,000	\$ 492,050	\$ 657,050
2023	175,000	485,450	660,450
2024	185,000	476,700	661,700
2025	195,000	467,450	662,450
2026	200,000	457,700	657,700
2027-2031	1,175,000	2,126,750	3,301,750
2032-2036	6,280,000	1,541,150	7,821,150
2037-2038	3,375,000	203,800	3,578,800
Total	\$ 11,750,000	\$ 6,251,050	\$ 18,001,050

Tax Sharing Agreement – Imperial County

In June 2003, the City entered into an agreement with Local Agency Formation Commission (LAFCO) in order to offset the “negative fiscal impacts,” as determined by LAFCO, to the County as a result of the approval of the Calexico Annexation No. CX 3-01. The City agreed to pay the County \$291,000 interest free, payable solely from the property tax revenues upon annexation of the area. At June 30, 2021, the outstanding balance was \$46,000. The balance was paid in full subsequent to June 30, 2021.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Capital Leases

The City has entered into several lease agreements for the financing of vehicles. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

The annual debt service requirements for the capital leases payable outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 36,464	\$ 7,893	\$ 44,357
2023	39,574	4,782	44,356
2024	48,713	1,404	50,117
Total	\$ 124,751	\$ 14,079	\$ 138,830

The leased assets are included in capital assets and are summarized by major asset class below:

Vehicles	\$ 194,198
Less: accumulated depreciation	(89,729)
Total	\$ 104,469

JPIA Payable

The City was a member of the California Joint Powers Insurance Authority (JPIA) through December 31, 2015. As of January 1, 2016, the City became self-insured for claims incurred after that date. JPIA continues to administer and settle claims incurred by the City prior to December 31, 2015.

The JPIA is composed of approximately 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the JPIA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage.

Each member pays an annual contribution to cover estimated losses for the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective charge is computed annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. The City's liability to the JPIA for retrospective charges is recorded in its respective Workers Compensation and General Liability Internal Service Funds. As of June 30, 2021, the City's JPIA obligation has been paid and retired.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Debt Issued	Debt Retired	Balance June 30, 2021	Classification	
					Due in One Year	Due in more than One Year
Business-Type Activities:						
Publicly Offered:						
Lease revenue bonds, Series 2007	\$ 11,585,000	\$ -	\$ (11,585,000)	\$ -	\$ -	\$ -
Water Revenue Bonds, Series 2020A	-	16,255,000	(425,000)	15,830,000	295,000	15,535,000
Bond premium	-	1,432,907	(47,764)	1,385,143	-	1,385,143
Wastewater Revenue Bonds, Series 2020A	-	22,715,000	(580,000)	22,135,000	410,000	21,725,000
Bond premium	-	2,001,440	(66,715)	1,934,725	-	1,934,725
Privately Offered:						
Capital lease obligations (privately offered)	298,209	148,376	(177,658)	268,927	65,998	202,929
Total business-type activities	\$ 11,883,209	\$ 42,552,723	\$ (12,882,137)	\$ 41,553,795	\$ 770,998	\$ 40,782,797

Lease Revenue Bonds - 2007

On January 1, 2007, the City, through the former RDA issued \$14,030,000 in Water System Lease Revenue Bonds of 2007. Proceeds from the sale of the bonds were used to provide funds to finance certain capital improvements to the City’s water system, fund a reserve account for the bonds, fund capitalized interest, and pay certain costs of issuance of the bonds. The bonds were payable solely from certain lease payments to be made by the City to the former RDA pursuant to a lease agreement by and between the City and the former RDA. The lease payments were special limited obligations of the City payable solely from and secured by a pledge of and first lien on water revenues. The Redevelopment Obligation Retirement Fund (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the Redevelopment Agency (RDA) on February 1, 2012.

The City had pledged a portion of future lease revenues from the former RDA to repay the 2007 Lease Revenue Bonds. At June 30, 2021, the outstanding balance of the bonds was refunded through the issuance of the 2021 Water Refunding Revenue Bonds, Series A.

Water and Wastewater 2020 Refunding Revenue Bonds

In July 2020, the Calexico Financing Authority (the “Authority”) issued its Water Revenue Bonds Series 2020A (the “Water Bonds”) in the principal amount of \$16,255,000 and Wastewater Revenue Bonds Series 2020A (the “Wastewater Bonds” – collectively “the Bonds”) in the principal amount of \$22,715,000 under an Indenture of Trust, dated as of July 1, 2020. The Bonds mature annually on November 1 beginning in 2020 and bear interest at rates ranging from 3% to 4% per annum. Interest payments are due on May 1 and November 1 of each year until the bonds are paid off. Proceeds of the Water Bonds will be used to (i) refund the Community Redevelopment Agency of the City of Calexico Water System Lease Revenue Bonds Issue of 2007, (ii) to finance certain improvement to the water system, (iii) to purchase a municipal bond insurance policy and a debt service surety for the Water Bonds, and (iv) to pay costs of issuance of the Water Bonds. Proceeds of the Wastewater Bonds will be used to (i) finance certain improvements to the wastewater system, (ii) to purchase a municipal bond insurance policy and a debt service surety for the Wastewater Bonds, and (iii) to pay costs of issuance of the Wastewater Bonds.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Water and Wastewater 2020 Refunding Revenue Bonds (Continued)

The issues consist of serial bonds maturing from 2020 to 2050 in combined annual installments of \$1,005,000 to \$1,940,000. The bonds carry interest rates ranging from 3.0% to 4.0% and mature in 2050. Interest payments are due on May 1 and November 1 of each year until the bonds are paid off.

The aggregate debt service payments of the new debt are \$13,225,608 less than the old debt. The issuance of the new water debt and the refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$2,005,968.

The annual debt service requirements for the bonds are as follows:

Water Revenue Bonds, Series 2020A			
Year Ending June 30,	Principal	Interest	Total
2022	\$ 295,000	\$ 528,150	\$ 823,150
2023	305,000	516,150	821,150
2024	315,000	503,750	818,750
2025	330,000	490,850	820,850
2026	345,000	477,350	822,350
2027-2031	1,950,000	2,163,250	4,113,250
2032-2036	2,375,000	1,732,750	4,107,750
2037-2041	2,825,000	1,280,475	4,105,475
2042-2046	3,280,000	823,200	4,103,200
2047-2051	3,810,000	292,800	4,102,800
Total	\$ 15,830,000	\$ 8,808,725	\$ 24,638,725

Wastewater Revenue Bonds, Series 2020A			
Year Ending June 30,	Principal	Interest	Total
2022	\$ 410,000	\$ 738,400	\$ 1,148,400
2023	425,000	721,700	1,146,700
2024	445,000	704,300	1,149,300
2025	460,000	686,200	1,146,200
2026	480,000	667,400	1,147,400
2027-2031	2,720,000	3,026,000	5,746,000
2032-2036	3,315,000	2,424,500	5,739,500
2037-2041	3,955,000	1,792,575	5,747,575
2042-2046	4,590,000	1,152,750	5,742,750
2047-2051	5,335,000	409,575	5,744,575
Total	\$ 22,135,000	\$ 12,323,400	\$ 34,458,400

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Capital Leases

The City has entered into several lease agreements for the financing of water and wastewater vehicles. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

The annual debt service requirements for the capital leases payable outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 65,998	\$ 11,780	\$ 77,778
2023	106,901	6,084	112,985
2022	22,263	3,225	25,488
2024	23,907	1,581	25,488
2025	49,858	139	49,997
Total	<u>\$ 268,927</u>	<u>\$ 22,809</u>	<u>\$ 291,736</u>

The leased assets are included in capital assets and are summarized by major asset class below:

Vehicles	\$ 439,284
Less: accumulated depreciation	<u>(203,446)</u>
Total	<u>\$ 235,838</u>

C. Fiduciary Funds

Summary of changes in long-term liabilities for the fiduciary funds for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Debt Refunding	Debt Retired	Balance June 30, 2021	Classification	
					Due in One Year	Due in more than One Year
Fiduciary Funds:						
Publicly Offered:						
Tax Allocation Bonds - 2011 School District	\$ 1,810,000	\$ -	\$ -	\$ 1,810,000	\$ -	\$ 1,810,000
Bond discount	(108,741)	-	8,365	(100,376)	-	(100,376)
2014 Tax Allocation Refunding Bonds	9,380,000	-	(1,310,000)	8,070,000	1,355,000	6,715,000
Bond premium	1,079,449	-	(119,937)	959,512	-	959,512
2020 Tax Allocation Refunding Bonds	11,085,000	-	(130,000)	10,955,000	210,000	10,745,000
Total Tax Allocation Bonds	<u>\$ 23,245,708</u>	<u>\$ -</u>	<u>\$ (1,551,572)</u>	<u>\$ 21,694,136</u>	<u>\$ 1,565,000</u>	<u>\$ 20,129,136</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2011 Tax Allocation Bonds – School District

On May 19, 2011, the Agency issued its Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds (School District), Issue of 2011 (the “2011 CUSD TABs”) for the purpose of financing the construction of certain capital improvements (the “Facilities”) of the Calexico Unified School District (the “CUSD”). The 2011 CUSD TABs were issued at the request of the CUSD. The 2011 CUSD TABs are secured by certain tax increment pass-through revenues (the “CUSD Pass-through Revenues”) pursuant to Section 3 of the each of the following agreements (collectively, the “Antecedent Agreements”):

1. First Amended and Restated Public Improvements Agreement dated March 16, 1993;
2. Memorandum of Understanding dated October 20, 1993; and
3. Public Improvements Agreement dated December 20, 1993.

Pursuant to the Antecedent Agreements, the purpose of the CUSD Pass-through Revenues was to finance certain capital projects benefitting the CUSD. To the extent that any of the CUSD Pass-through Revenues were not so used, such unused moneys were to be transferred to the CUSD. Additionally, the CUSD previously requested and authorized the former RDA to use a portion of the CUSD Pass-through Revenues as security for and payment of the debt service for certain prior bonds (the “Prior Bonds”), the proceeds of which were used to finance the construction of certain capital improvements benefitting the CUSD.

The net proceeds from the 2011 CUSD TABs were intended to be used to construct the Facilities benefitting the CUSD and the CUSD Pass-through revenues were committed as security for and payment of the debt service for 2011 CUSD TABs.

The issue consists of serial bonds in the amount \$1,815,000 payable annually on August 1 of each year, commencing on August 1, 2011 and maturing in 2034 with interest rates ranging from 6.40% to 6.60% per annum. Interest payments are due on August 1 and February 1 of each year until the bonds are paid off. The outstanding balance of the bonds was transferred to the Successor Agency on January 31, 2012 due to the dissolution of the Agency. At June 30, 2018, the outstanding balance of the bonds was \$1,810,000. Total principal and interest remaining on the bond is \$2,901,980 payable through 2034.

The annual debt service requirements for the 2011 Tax Allocation Bonds – School District at June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 118,740	\$ 118,740
2023	5,000	118,580	123,580
2024	-	118,420	118,420
2025	-	118,420	118,420
2026	110,000	114,900	224,900
2027-2031	925,000	436,590	1,361,590
2032-2034	770,000	66,330	836,330
Total	\$ 1,810,000	\$ 1,091,980	\$ 2,901,980

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2014 Tax Allocation Refunding Bonds

On August 1, 2014, the Agency issued the 2014 Tax Allocation Refunding Bonds in the amount of \$15,395,000. The Bonds were issued to refinance previously issued bonds: (i) \$16,120,000 original principal amount of Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Refunding Bonds Issue of 2003A, outstanding principal refunded in the amount of \$11,335,000; and (ii) \$8,600,000 original principal amount of Merged Central Business District and Residential Redevelopment Project Area Tax Allocation Bonds, Issue of 2003C, outstanding principal refunded in the amount of \$6,040,000.

The issue consists of serial bonds in the amount \$15,395,000 payable annually on August 1 of each year, commencing on August 1, 2015 and maturing in 2028 with interest rates ranging from 2.00% to 5.00% per annum. Interest payments are due on August 1 and February 1 of each year until the bonds are paid off. At June 30, 2021, the outstanding balance of the bonds was \$8,070,000. Total principal and interest remaining on the bond is \$9,346,500 payable through 2029.

The annual debt service requirements for the 2014 Tax Allocation Refunding Bonds at June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,355,000	\$ 369,625	\$ 1,724,625
2023	1,425,000	300,125	1,725,125
2024	1,495,000	227,125	1,722,125
2025	1,570,000	150,500	1,720,500
2026	520,000	98,250	618,250
2027-2029	1,705,000	130,875	1,835,875
Total	\$ 8,070,000	\$ 1,276,500	\$ 9,346,500

2020 Tax Allocation Refunding Bonds

In January 2020 the Successor Agency issued \$11,085,000 of Subordinate Tax Allocation Refunding Bonds. The bonds are special obligations of the Successor Agency payable from and secured by a pledge of the Successor Agency's tax revenues. Proceeds from the bonds, along with funds on hand, were used to refinance the Agency's outstanding bonds from series previously issued in 2000 (\$515,000), 2006 (\$9,465,000), and 2011 (\$7,120,000). The issue consists of serial bonds maturing from 2021 to 2034 in annual installments of \$130,000 to \$1,680,000. The bonds carry interest rates ranging from 1.9% to 3.2% and mature in 2034. The aggregate debt service payments of the new debt are \$13,233,255 less than the old debt. The issuance of the new debt and the refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$2,609,861.

The annual debt service requirements for the 2020 Tax Allocation Refunding Bonds at June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 210,000	\$ 313,134	\$ 523,134
2023	210,000	309,037	519,037
2024	215,000	304,667	519,667
2025	220,000	299,928	519,928
2026	1,420,000	294,840	1,714,840
2027-2031	7,880,000	867,050	8,747,050
2032-2034	800,000	53,166	853,166
Total	\$ 10,955,000	\$ 2,441,822	\$ 13,396,822

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the former Calexico Redevelopment Agency's debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first.

Tax revenues consist of property tax revenues allocated to the Redevelopment Property Tax Trust Fund (RPTTF) for the Successor Agency that is maintained by the County of Imperial Auditor and Controller. The amounts so allocated are those that would have been allocated to the RDA had the RDA not been dissolved. The Auditor and Controller (A&C) then distributes RPTTF revenues to the Successor Agency based on Recognized Obligation Payment Schedules (ROPS) as approved by the California State Department of Finance (DOF) and after deducting amounts for A&C administrative costs and amounts required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Each ROPS covers a twelve-month period and includes the applicable debt service payments on the Bonds.

Property tax revenue allocated to the RPTTF for the Successor Agency totaled \$7,144,009 in fiscal year 2021. Total debt service of all Tax Allocation Bonds paid was \$2,309,151, 32% of the RPTTF revenue available for distribution to the Successor Agency.

D. Conduit Debt

Community Facilities District No. 2005-1 – Special Assessment Tax Bonds

On September 1, 2005, the City issued special assessment tax bonds under the State Improvement Acts of 1911 and 1915 through the Community Facilities District No. 2005-1 (Hearthstone) of the City of Calexico ("District"), which was established by the City pursuant to a bond indenture dated July 1, 2006. The bonds were issued to finance certain public facilities and capital impact fees relating to a residential development within the District, fund an escrow account, fund a reserve account for the bonds, fund 18 months of capitalized interest on the bonds, and pay the cost of issuance of the bonds. These bonds are payable only from special assessment collections from the property owners. The City is not liable for repayment in any manner.

The City is only acting as an agent for the property owners and bondholders in collecting and applying the special assessments toward bond debt service. The bonds are, therefore, not reported as a liability in the accompanying basic financial statements. The special assessment tax bonds totaling \$12,450,000 at June 30, 2021 were held by the District.

The development phases within the District have not been completed and sufficient District levies have not been collected to fully fund the District's debt service requirements. As of June 30, 2021, the scheduled principal payments due September 1, 2016, 2017, 2018, 2019, and 2020 have not been paid. The bond reserve account held by the trustee was \$137,432, which is less than the required balance of \$1,016,560. City administrators, community facilities district consultants, the City Attorney, new property owners, and trustee attorneys are currently working on a financial plan to auction undeveloped property to provide a final solution to this issue.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debt (Continued)

D. Conduit Debt (Continued)

Community Facilities District No. 2013-1 – Special Tax Bonds

On February 1, 2014, the City issued special assessment tax bonds under the State Improvement Acts of 1911 and 1915 through the Communities Facilities District No. 2013-1 (Gran Plaza) of the City of Calexico (“District”), which was established by the City pursuant to a bond indenture dated February 1, 2014. Proceeds of the Bonds were used to (i) finance certain public facilities relating to an outlet shopping center within the District; (ii) fund a debt service reserve account; (iii) fund capitalized interest; and (iv) pay costs of issuance of the Bonds. These bonds are payable from special assessment collections from the property owner and from certain payments contributed to the District by the City pursuant to an agreement between the City and Property owner dated July 2, 2013. The City acts as an agent for the property owners and bondholders in collecting special assessments from the property owner and its own contributions on behalf of the property owner. The District applies such collections toward bond debt service. The bonds are not reported as a liability of the City in the accompanying basic financial statements. The special assessment tax bonds totaling \$6,565,000 at June 30, 2021 were held by the District.

Note 7 – Compensated Absences

A. Governmental Activities

The City’s liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounts to \$1,569,284 at June 30, 2021.

	Balance			Balance June 30, 2021	Classification	
	July 1, 2020	Additions	Deletions		Due Within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences	\$ 1,415,843	\$ 249,945	\$ (96,504)	\$ 1,569,284	\$ 102,149	\$ 1,467,135
Total governmental activities	\$ 1,415,843	\$ 249,945	\$ (96,504)	\$ 1,569,284	\$ 102,149	\$ 1,467,135

B. Business-Type Activities

In proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation and sick pay) is reported in the funds as the benefits vest and is earned. The compensated absences accrued in the proprietary funds amount to \$371,487 at June 30, 2021.

	Balance			Balance June 30, 2021	Classification	
	July 1, 2020	Additions	Deletions		Due Within One Year	Due in More Than One Year
Business-Type Activities:						
Compensated absences	\$ 349,489	\$ 42,763	\$ (20,765)	\$ 371,487	\$ 10,141	\$ 361,346
Total business-type activities	\$ 349,489	\$ 42,763	\$ (20,765)	\$ 371,487	\$ 10,141	\$ 361,346

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Risk Management

A. Summary

Changes in the claims liability amounts were as follows:

Workers' Compensation

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-2019	\$ 1,566,000	\$ 603,262	\$ (569,262)	\$ 1,600,000
2019-2020	1,600,000	895,375	(556,375)	1,939,000
2020-2021	1,939,000	565,046	(432,046)	2,072,000

General Liability

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-2019	\$ 386,000	\$ 214,914	\$ (36,914)	\$ 564,000
2019-2020	564,000	225,130	(31,562)	757,568
2020-2021	757,568	830,828	(29,332)	1,559,064

B. Public Risk Innovation, Solutions, and Management – Excess Insurance Authority

The City is a member of Public Risk Innovation, Solutions, and Management – Excess Insurance Authority (PRISM). The Authority is comprised of 55 California counties and currently consists of 262 public agencies, which includes municipalities, school districts, special districts and other Joint Powers Authorities (JPA). PRISM was formed as a Joint Powers Authority in 1979, pursuant to the California Government Code. The purpose of the Authority is to arrange, provide and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

The Board of Directors is comprised of 62 members, one representative from each member county and seven members elected by the public entity membership.

General Liability Insurance

Annual deposits are paid by member cities and are adjusted retroactively to cover costs. Each member city has a specific self-insured retention (“SIR”) level. The City has a SIR level of \$100,000 and pays 100% of all losses incurred under \$100,000. The City does not share or pay for losses of other cities under \$100,000. Losses of \$100,000 to \$5,000,000 are prorated among all participating cities on a payroll basis. Losses in excess of \$5,000,000 are covered by excess insurance purchased by the participating cities, as a part of the pool, to a limit of \$10,000,000. This cost is also prorated on a payroll basis. The City purchased an optional excess coverage, which covers up to \$20,000,000, and catastrophic coverage up to \$50,000,000.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Risk Management (Continued)

B. Public Risk Innovation, Solutions, and Management – Excess Insurance Authority (Continued)

Workers’ Compensation

The City has a SIR of \$125,000 per claim and additional coverage above its SIR with PRISM to \$5 million per claim; there is an additional \$45 million of reinsurance above PRISM coverage bringing the total coverage to over \$50 million per claim. The PRISM is ranked as the second largest public entity risk pool and the largest property and casualty pool in the nation.

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in the prior year.

The latest financial information of the Public Risk Innovation, Solutions, and Management - Excess Insurance Authority for fiscal year ended June 30, 2021, is as follows:

Total assets	\$1,006,132,845
Total deferred outflows	\$ 2,167,314
Total liabilities	\$ 820,969,455
Total deferred inflows	\$ 976,070
Total equities	\$ 186,354,634
Total revenues	\$1,291,008,268
Total expenses	\$1,278,916,616
Revenues over expenses	\$ 12,091,652

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans

A. Summary

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Outflows of Resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 769,852	\$ 544,004	\$ 1,313,856
CalPERS Safety	1,750,135	-	1,750,135
Total pension contribution made after measurement date	<u>2,519,987</u>	<u>544,004</u>	<u>3,063,991</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	242,823	171,589	414,412
CalPERS Safety	354,463	-	354,463
Total projected earnings on pension plan investments in excess of actual earnings	<u>597,286</u>	<u>171,589</u>	<u>768,875</u>
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	331,488	234,243	565,731
CalPERS Safety	237,715	-	237,715
Total adjustment due to difference in proportions	<u>569,203</u>	<u>234,243</u>	<u>803,446</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	421,234	297,660	718,894
CalPERS Safety	1,264,681	-	1,264,681
Total difference between expected and actual experience	<u>1,685,915</u>	<u>297,660</u>	<u>1,983,575</u>
Total deferred outflows of resources:			
CalPERS Miscellaneous	1,765,397	1,247,496	3,012,893
CalPERS Safety	3,606,994	-	3,606,994
Total deferred outflows of resources	<u>\$ 5,372,391</u>	<u>\$ 1,247,496</u>	<u>\$ 6,619,887</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities:			
CalPERS Miscellaneous	\$ 8,174,068	\$ 5,776,111	\$ 13,950,179
CalPERS Safety	16,309,009	-	16,309,009
Total net pension liabilities	<u>\$ 24,483,077</u>	<u>\$ 5,776,111</u>	<u>\$ 30,259,188</u>
Deferred Inflows of Resources:			
Change in assumption			
CalPERS Miscellaneous	\$ 58,300	\$ 41,198	\$ 99,498
CalPERS Safety	54,326	-	54,326
Total change in assumption	<u>112,626</u>	<u>41,198</u>	<u>153,824</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	626,413	442,647	1,069,060
CalPERS Safety	758,366	-	758,366
Total employer contributions in excess of proportionate share of contribution	<u>1,384,779</u>	<u>442,647</u>	<u>1,827,426</u>
Total deferred inflows of resources:			
CalPERS Miscellaneous	684,713	483,845	1,168,558
CalPERS Safety	812,692	-	812,692
Total deferred inflows of resources	<u>\$ 1,497,405</u>	<u>\$ 483,845</u>	<u>\$ 1,981,250</u>
Pension Expense:			
CalPERS Miscellaneous	\$ 1,127,103	\$ 796,453	\$ 1,923,556
CalPERS Safety	2,663,046	-	2,663,046
Total net pension expense	<u>\$ 3,790,149</u>	<u>\$ 796,453</u>	<u>\$ 4,586,602</u>

B. General Information about Pension Plans

Plan Description

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

B. General Information about Pension Plans (Continued)

Employees Covered by Benefit Terms

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

	Miscellaneous		Safety		Safety
	Miscellaneous	PEPRA	Safety	PEPRA Police	PEPRA Fire
Active employees	61	44	33	10	7
Transferred and terminated employees	103	13	81	10	1
Retired employees and beneficiaries	130	-	89	-	-
Total	294	57	203	20	8

Benefits Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Miscellaneous		Safety		Safety
	Miscellaneous	PEPRA	Safety	PEPRA Police	PEPRA Fire
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	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	monthly for life
Retirement age	55	62	50	50-57	50-57
Monthly benefits, as a % of					
eligible compensation	2.7%	2.0%	3.0%	2.7%	2.7%
Required employee contribution rate	8.00%	6.75%	9.00%	11.50%	11.50%
Required employer contribution rate	7.959%	7.114%	18.152%	13.044%	13.044%

Contributions

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each plan were as follows:

Miscellaneous	\$ 1,313,856
Safety	1,750,135
	\$ 3,063,991

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Miscellaneous			
Balance at: 6/30/19 (valuation date)	\$ 53,400,450	\$ 40,604,002	\$ 12,796,448
Balance at: 6/30/20 (measurement date)	55,207,945	41,257,766	13,950,179
Net changes during 2019-2020	1,807,495	653,764	1,153,731
Safety			
Balance at: 6/30/19 (valuation date)	\$ 55,748,051	\$ 40,888,911	\$ 14,859,140
Balance at: 6/30/20 (measurement date)	57,956,339	41,647,330	16,309,009
Net changes during 2019-2020	2,208,288	758,419	1,449,869
Total			
Balance at: 6/30/19 (valuation date)	\$ 109,148,501	\$ 81,492,913	\$ 27,655,588
Balance at: 6/30/20 (measurement date)	113,164,284	82,905,096	30,259,188
Net changes during 2019-2020	4,015,783	1,412,183	2,603,600

The City’s net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2020, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City’s proportion of the net pension liability/(asset) was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability/(asset) for each plan as of June 30, 2019 and 2020 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2019	0.12488%	0.14501%	0.26351%
Proportion - June 30, 2020	0.12821%	0.14989%	0.27811%
Change - increase/(decrease)	0.00333%	0.00488%	0.01460%

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

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

For the year ended June 30, 2021, the City recognized pension expense of \$1,923,556 and \$2,663,046, for the Miscellaneous and Safety plans, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 1,313,856	\$ -
Difference between projected and actual earning on pension plan investments	414,412	-
Adjustment due to differences in proportions	565,731	-
Changes in assumptions	-	99,498
Difference between actual and expected experience	718,894	-
Difference between employer's actual contributions and proportionate share of contributions	-	1,069,060
Total	<u>\$ 3,012,893</u>	<u>\$ 1,168,558</u>
Safety Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 1,750,135	\$ -
Difference between projected and actual earning on pension plan investments	354,463	-
Adjustment due to differences in proportions	237,715	-
Changes in assumptions	-	54,326
Difference between actual and expected experience	1,264,681	-
Difference between employer's actual contributions and proportionate share of contributions	-	758,366
Total	<u>\$ 3,606,994</u>	<u>\$ 812,692</u>
Total		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 3,063,991	\$ -
Difference between projected and actual earning on pension plan investments	768,875	-
Adjustment due to differences in proportions	803,446	-
Changes in assumptions	-	153,824
Difference between actual and expected experience	1,983,575	-
Difference between employer's actual contributions and proportionate share of contributions	-	1,827,426
Total	<u>\$ 6,619,887</u>	<u>\$ 1,981,250</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

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

For the Miscellaneous Plan and Safety Plan, \$1,313,856 and \$1,750,135, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Miscellaneous Plans	Safety Plans	Total
2022	\$ (117,801)	\$ 118,773	\$ 972
2023	212,163	386,573	598,736
2024	237,353	361,217	598,570
2025	198,764	177,604	376,368
2026	-	-	-
Thereafter	-	-	-
	<u>\$ 530,479</u>	<u>\$ 1,044,167</u>	<u>\$ 1,574,646</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.65%
Mortality rate table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post retirement benefit increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

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

Discount Rate

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10¹	Real Return Years 11 +²
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	7.00%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ An expected inflation of 2.00% was used for this period.

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

The discount rate used to measure the total pension liability was 7.15% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Pension Plans (Continued)

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

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 position liability for the Plan, calculated using the discount rate for each 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:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous	\$ 21,297,009	\$ 13,950,179	\$ 7,879,724
Safety	\$ 24,179,695	\$ 16,309,009	\$ 9,850,366
Total	\$ 45,476,704	\$ 30,259,188	\$ 17,730,090

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2021.

Note 10 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Difference between expected and actual experience	\$ 327,477	\$ 102,294	\$ 429,771
Changes in assumptions	3,520,478	1,099,685	4,620,163
Total deferred outflows of resources	\$ 3,847,955	\$ 1,201,979	\$ 5,049,934
Total OPEB liability:			
Total OPEB liability	\$ 30,025,193	\$ 9,378,908	\$ 39,404,101
Total OPEB liability	\$ 30,025,193	\$ 9,378,908	\$ 39,404,101
OPEB expense	\$ 1,771,978	\$ 553,510	\$ 2,325,488

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Other Postemployment Benefits (Continued)

B. General Information about OPEB

Plan Description

As of June 30, 2020, the date of its most recent OPEB actuarial valuation, the City provided health benefits to 37 retirees. In addition, 102 active employees are earning service credit for future retiree health benefits. With the exception of members of the Calexico Police Officers Association, employees hired on or after July 1, 2008 are not eligible for retiree health benefits. Employees hired prior to May 18, 1993 retiring from the City under CalPERS are eligible for City-paid retiree medical and dental benefits for themselves and eligible dependents. The retiree is responsible for a monthly contribution equal to \$120. Employees hired on or after May 18, 1993 are eligible for City paid retiree medical benefits for themselves only to the retiree’s attainment of age 65.

Eligibility

Eligibility requires retirement from the City under PERS with at least 20 years of service. Retirees with less than 30 years of service at retirement are required to pay a monthly contribution. The retiree may also elect to cover and pay for eligible dependents based on the COBRA rate.

Membership in the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees		37
Active plan members		102
Total		139

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis through June 30, 2021. For the fiscal year ended June 30, 2021, the City’s average contribution rate was 9.0% of covered-employee payroll. Employees are not required to contribute to the plan.

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

Total OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability at June 30, 2021 was \$39,404,101.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Other Postemployment Benefits (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	2.19%
Inflation	2.75%
Aggregate payroll increases	2.75%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 2017 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2019
Healthcare Trend Rate	An annual healthcare cost trend rate of 6.5% initially reduced by decrements to an ultimate of 4.5% therefore.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.19% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 27,955,092
Changes Recognized for the Measurement Period:	
Service Cost	744,778
Interest on the total OPEB liability	751,908
Difference between expected and actual experience	8,428,759
Changes of assumptions	2,394,594
Benefit payments	(871,030)
Net Changes during July 1, 2020 to June 30, 2021	11,449,009
Balance at June 30, 2021 (measurement date)	<u>\$ 39,404,101</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Other Postemployment Benefits (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19%) or 1-percentage-point higher (3.19%) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (1.19%)	Current Discount Rate (2.19%)	Discount Rate + 1% (3.19%)
\$ 45,273,215	\$ 39,404,101	\$ 34,547,693

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	+ 1%
\$ 33,611,562	\$ 39,404,101	\$ 46,569,243

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$2,325,488. At June 30, 2021, 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
Difference between expected and actual experience	\$ 429,771	\$ -
Changes of assumptions	4,620,163	-
Total	\$ 5,049,934	\$ -

As of June 30, 2021, the City's OPEB Plan did not hold assets or have a Fiduciary Net Position. If the Plan did have assets, however, the Plan's policy is to amortize the difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 5 years, which was determined as of June 30, 2020, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Other Postemployment Benefits (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

<u>Measurement Period</u> <u>Ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2022	\$ 828,802
2023	923,249
2024	583,897
2025	583,897
2026	583,894
Thereafter	1,546,195
	<u>\$ 5,049,934</u>

Note 11 – Joint Powers Agreement – Calexico Special Financing Authority

The Calexico Special Financing Authority (“Authority”) was formed by a Joint Exercise of Powers Agreement (Joint Powers Agreement), dated as of June 20, 1996, by and between the City and the Heffernan Memorial Hospital District (“District”). The Authority is a public entity separate from the City and District. The Authority was created for the purpose of providing financing for local agencies, including the District and the City; and it is authorized pursuant to the Bond Law to issue bonds for the purpose of providing such financing. The debts, liabilities, and obligations of the Authority do not constitute debts, liabilities, or obligations of either the City or the District.

The Authority is administered by a commission (Commission) which consists of four members, each serving in his or her individual capacity as a member of the Commission. Two members of the Commission are appointed by the Mayor of the City, and two members of the Commission are appointed by the governing body of the District. All actions taken by the Authority require the affirmative vote of not less than three members of the Commission.

The Joint Powers Agreement continues in full force and effect until December 31, 2016, unless extended or earlier terminated. The date of the final maturity of the bonds is January 1, 2018, but the Joint Powers Agreement may not terminate or be terminated until the date on which all the bonds and other indebtedness issued or to be issued by the Authority shall have been retired or full provision shall have been made for their retirement. The Joint Powers Agreement provides, among other things, that the City shall not be liable to the District or the Hospital on account of the City’s participation in the Authority; that the City shall not be required to make any contributions, payments, or advances of public funds to the Authority.

In the Joint Powers Agreement, the City and the District agree to comply with all provisions of law relating to the one half percent special district sales tax; the City specifically agrees to take the steps necessary to continue to levy and collect the sales tax for the use thereof by the District; and the District agrees to take any and all actions required to maintain its status as a health care district under the State Constitution and laws of the State.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Joint Powers Agreement – Calexico Special Financing Authority (Continued)

The Authority has no assets other than the Trust Estate and no income other than the tax revenues. Moreover, any assets acquired or income received by it in the future (other than assets that would be part of the Trust Estate and income that would constitute the revenues) would be pledged to the payment of the principal of or interest on the bonds.

On June 21, 2001, the Authority issued the Refunding Revenue Bonds, Series 2001 to advance refund the previously issue Revenue Bonds, Series 1996.

The bonds were issued to provide funds to purchase certain obligations of the District and to establish a reserve fund for the bonds. The bonds are authorized pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985 and are issued pursuant to a Trust Agreement dated October 29, 1996 by and between the Authority and State Street Bank and Trust Company of California, N.A. (Trustee). The bonds are payable from the ½ cent sales tax authorized to be imposed and collected within the corporate boundaries of the City for exclusive use of the District. The District has pledged and assigned its rights in the sales tax revenue to the Authority; and the Authority, in turn, has pledged and assigned its rights therein to the Trustee for the benefit of the owners of the bonds.

The bonds are special limited obligations of the Authority, payable from, and secured as to the payment of the principal and interest on the bonds in accordance with their terms and the terms of the trust agreement, solely from the Trust Estate. The bonds do not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal or interest on the bonds except from the Trust Estate. Neither the State of California nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal or interest on the bonds. Neither the faith and credit (except to the extent of the sales tax revenues) nor the taxing power of the State of California or any public agency thereof or any member of the Authority is pledged to the payment of the principal or interest on the bonds, and neither the principal or interest on the bonds constitutes a debt, liability or obligation of the State of California or any public agency (other than the Authority) or any member of the Authority.

Note 12 – Commitments and Contingencies

A. *Litigation*

The City is a defendant in certain legal actions arising in the normal course of operations. Liabilities for the probable amounts of loss associated with these claims are have been accrued in the financial statements as discussed in Note 8 – Risk Management.

B. *Grants*

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors and their representatives.

With respect to the City’s other grant programs, any liability for reimbursement which may arise as the result of grantor audits, if any, is not believed to be material.

C. *Construction*

Various construction projects were in progress at June 30, 2021 with an estimated cost to complete of approximately \$57,750,918 planned for in all fund types.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Commitments and Contingencies (Continued)

D. CFD 2013-1

The City has committed to make annual payments to the Community Facility District 2013-1 (District) on behalf of the District's property owner through an Agreement Re: Covenants ("Agreement") executed in July 2013. The District was formed in 2013 to finance improvements supporting the development of the Gran Plaza shopping center and related City development impact fees.

In the Agreement, the City agreed to pay a portion of sales tax revenues earned from the Gran Plaza shopping center to the CFD on behalf of the property owner. Annual City payments are calculated in the following four step process:

1. The City retains the first \$300,000 of sales tax earned at Gran Plaza each operating (calendar) year.
2. Sales tax in excess of \$300,000 is paid to the District up to the District's annual debt service.
3. Sales tax in excess of \$300,000 and in excess of the District's annual debt service is retained by the City, up to an amount matching the City's payment to the District for its annual debt service.
4. Sales tax in excess of amounts applied in Steps 1 to 3 is divided in half, with half retained by the City and half paid to the District for the refunding of outstand District bonds.

During the year ended June 30, 2021, the City paid \$0 to the District under the terms of this Agreement.

Note 13 – Deferred Compensation Plan

The City offers a deferred compensation plan for regular employees created in accordance with Internal Revenue Code Section 457. Under the terms of this plan, employees may defer amounts of income up to a maximum of \$17,000 per year or one-hundred percent (100%) of includable compensation, whichever is less. Amounts so deferred may be withdrawn or directed for future payment at separation of employment but may not be paid to the employee during employment with the City except for a catastrophic circumstance creating an undue and unforeseen financial hardship for the employee.

Federal legislation, (Small Business Job Protection Act of 1996) requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. The City's deferred compensation administrator qualifies as the plan trustee to meet Federal requirements. Since the plan assets are not considered the property and rights of the City, such assets are not reflected in the accompanying basic financial statements.

Note 14 – Self-Funded Medical, Dental and Vision Plan

The City of Calexico provides its employees, eligible retirees and elected officials with an option to participate in a self-funded employer sponsored health plan. In this plan the City takes on the financial risk of funding the plan from its assets and is responsible for managing and administering the plan.

The City administers the plan through a third-party administrator (TPA) and purchases excess insurance coverage to protect itself from extreme claims and utilization levels. This excess insurance is called employer stop-loss (ESL) coverage. In addition to covering the potential losses inherent with any group benefit plan, the City's ESL coverage provides protection for the entire covered group, reimbursement for medical expenses above a specified dollar amount of \$75,000, and coverage for catastrophic and high dollar claims such as transplants, leukemia, renal failure and premature births.

The City provides a network of Exclusive Provider Organization (EPO) participants and a Preferred Provider Organization (PPO) network for eligible retirees and Police Officers Association (POA) members.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

At June 30, 2021, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(45,404,894).

At June 30, 2021, the following funds had a fund balances (deficit) or net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

Fund	Fund Type	Deficit
DIF - Fire Successor Agency to the Calexico Community Redevelopment Agency	Special Revenue Fund	\$ (132,764)
	Private Purpose Trust Fund	(13,482,646)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following functions of the General Fund:

Fund	Function	Excess Expenditures
General Fund	General government	\$ 273,141
General Fund	Public safety: Fire	215,762
LTA Measure D Special Revenue Fund	Public works	150,000

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds* as of June 30, 2021 as follows:

	Major Funds				Other Governmental Funds	Total
	General Fund	LTA Measure D Special Revenue Fund	LTA Measure D Capital Projects Fund	Measure H Capital Projects Fund		
Non-spendable:						
Inventories and prepaid items	\$ 79,973	\$ -	\$ -	\$ -	\$ -	\$ 79,973
Total non-spendable	79,973	-	-	-	-	79,973
Restricted:						
Debt service payments	-	-	-	-	3,085,633	3,085,633
Public works	-	-	-	-	4,612,461	4,612,461
Culture and recreation	-	-	-	-	77,392	77,392
Housing	-	-	-	-	5,010,481	5,010,481
Capital projects	-	9,434,051	2,548,393	2,058,377	8,694,200	22,735,021
Total restricted	-	9,434,051	2,548,393	2,058,377	21,480,167	35,520,988
Assigned:						
Capital Projects	-	-	-	-	523,000	523,000
Total assigned	-	-	-	-	523,000	523,000
Unassigned (deficit)	1,918,993	-	-	-	913,236	2,832,229
Total unassigned	1,918,993	-	-	-	913,236	2,832,229
Total fund balances	\$ 1,998,966	\$ 9,434,051	\$ 2,548,393	\$ 2,058,377	\$ 22,916,403	\$38,956,190

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 17 – Prior Period Adjustments

A. Fiduciary Fund Financial Statements

The beginning net position at July 1, 2020 of the Fiduciary Fund Financial Statements was restated as follows:

	Corsair 2013-1 Gran Plaza CFD	Towncenter CFD	Hearthstone 2005-1 CFD	Venezia CFD	Total
Net position, as previously reported, at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
To implement GASB 84	1,089,238	8,458	446,562	22,339	1,566,597
Net position at July 1, 2020, as restated	<u>\$ 1,089,238</u>	<u>\$ 8,458</u>	<u>\$ 446,562</u>	<u>\$ 22,339</u>	<u>\$ 1,566,597</u>

Note 18 – Subsequent Events

A. American Rescue Plan Act

On March, 2021, the American Rescue Plan Act was signed into delivering \$65 billion of direct and flexible aid to cities and towns across the nation to provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. Based on the City’s population, the City was allocated \$9,526,987 and received in two installments starting July 2021.

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**REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited).**

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City of Calexico
Required Supplementary Information (Unaudited)
Notes to the Budgetary Information
For the Year Ended June 30, 2021

Note 1 – Budgetary Information

The City Council has the responsibility for adoption of the City’s budget. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer budget appropriations within the General Fund at the department level or at the fund level for other funds. Budget amendments to a total General Fund department budget, non-General Fund fund budget, or a capital project require City Council approval.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option to review for another fiscal year.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts				Actual Amounts	Variance with Final Budget
	General Fund	Measure H Fund	Original			
	Original	Original	Total	Final		
REVENUES:						
Property taxes	\$ 2,726,617	\$ -	\$ 2,726,617	\$ 2,787,509	\$ 2,848,208	\$ 60,699
Other taxes:						
Other taxes	5,488,350	-	5,488,350	4,694,000	5,155,628	461,628
Measure H sales tax	-	2,625,000	2,625,000	2,675,000	3,120,542	445,542
Total other taxes	5,488,350	2,625,000	8,113,350	7,369,000	8,276,170	907,170
Licenses, permits and fees	1,715,600	-	1,715,600	1,538,000	1,771,426	233,426
Intergovernmental	3,436,547	-	3,436,547	3,515,647	3,554,510	38,863
Charges for services	1,907,613	-	1,907,613	1,718,170	1,798,728	80,558
Fines and forfeitures	220,500	-	220,500	85,600	131,941	46,341
Use of money and property	570,820	-	570,820	570,120	571,243	1,123
Other revenues	-	-	-	10,000	15,304	5,304
Total revenues	16,066,047	2,625,000	18,691,047	17,594,046	18,967,530	1,373,484
EXPENDITURES:						
Current:						
General government	3,151,693	-	3,151,693	3,098,929	3,372,070	(273,141)
Public safety:						
Police	5,343,623	850,000	6,193,623	6,069,873	5,694,585	375,288
Fire	4,150,693	400,000	4,550,693	4,539,817	4,755,579	(215,762)
Total public safety	9,494,316	1,250,000	10,744,316	10,609,690	10,450,164	159,526
Public works	1,038,764	-	1,038,764	996,264	909,657	86,607
Culture and recreation	1,067,212	-	1,067,212	864,262	815,845	48,417
Planning and building	931,905	-	931,905	679,405	677,159	2,246
Housing	346,698	-	346,698	91,148	86,418	4,730
Contribution to CFD 2013-1	382,000	-	382,000	-	-	-
Capital outlay	-	-	-	134,889	98,504	36,385
Debt service:						
Principal	20,065	-	20,065	33,703	33,600	103
Interest and fiscal charges	6,394	-	6,394	10,756	10,756	-
Total expenditures	16,439,047	1,250,000	17,689,047	16,519,046	16,454,173	64,873
REVENUES OVER (UNDER) EXPENDITURES	(373,000)	1,375,000	1,002,000	1,075,000	2,513,357	1,438,357
OTHER FINANCING SOURCES (USES):						
Transfers out	-	(1,002,000)	(1,002,000)	(1,075,000)	(1,520,154)	(445,154)
Total other financing sources (uses)	-	(1,002,000)	(1,002,000)	(1,075,000)	(1,520,154)	(445,154)
Net changes in fund balance	\$ (373,000)	\$ 373,000	\$ -	\$ -	993,203	\$ 993,203
FUND BALANCE:						
Beginning of year					1,005,763	
End of year					<u>\$ 1,998,966</u>	

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – LTA Measure D Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 840,000	\$ 840,000	\$ 1,045,280	\$ 205,280
Use of money and property	-	-	5,345	5,345
Total revenues	<u>840,000</u>	<u>840,000</u>	<u>1,050,625</u>	<u>210,625</u>
EXPENDITURES:				
Current:				
Public works	-	-	150,000	(150,000)
Capital outlay	2,711,613	2,711,613	97,353	2,614,260
Total expenditures	<u>2,711,613</u>	<u>2,711,613</u>	<u>247,353</u>	<u>2,464,260</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,871,613)</u>	<u>(1,871,613)</u>	<u>803,272</u>	<u>2,674,885</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	355,622	355,622
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>355,622</u>	<u>355,622</u>
Net changes in fund balance	<u>\$ (1,871,613)</u>	<u>\$ (1,871,613)</u>	<u>1,158,894</u>	<u>\$ 3,030,507</u>
FUND BALANCE:				
Beginning of year			<u>8,275,157</u>	
End of year			<u>\$ 9,434,051</u>	

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – Other Operating Grants Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 160,000	\$ 7,008,266	\$ 6,728,388	\$ (279,878)
Total revenues	<u>160,000</u>	<u>7,008,266</u>	<u>6,728,388</u>	<u>(279,878)</u>
EXPENDITURES:				
Current:				
General government	-	191,000	35,285	155,715
Planning and building	160,000	160,000	35,837	124,163
Housing	-	6,657,266	6,657,266	-
Total expenditures	<u>160,000</u>	<u>7,008,266</u>	<u>6,728,388</u>	<u>279,878</u>
REVENUES OVER				
(UNDER) EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	23,336	23,336
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>23,336</u>	<u>23,336</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>23,336</u>	<u>\$ 23,336</u>
FUND BALANCE:				
Beginning of year			<u>(23,336)</u>	
End of year			<u>\$ -</u>	

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
Last Ten Years
For the Year Ended June 30, 2021

	Miscellaneous Plan				
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016*</u>
Plan's proportion of the net pension liability	0.1282135%	0.1248795%	0.1205049%	0.1152051%	0.1187121%
Plan's proportionate share of the net pension liability	\$ 13,950,179	\$ 12,796,448	\$ 11,612,169	\$ 11,772,982	\$ 11,772,982
Plan's covered-employee payroll	\$ 5,434,448	\$ 5,438,921	\$ 5,280,506	\$ 5,126,704	\$ 4,977,383
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	256.70%	235.28%	219.91%	229.64%	236.53%
Plan's fiduciary net position	\$ 41,257,766	\$ 40,604,002	\$ 39,627,144	\$ 38,307,558	\$ 35,624,733
Plan's fiduciary net position as a percentage of the total pension liability	74.73%	76.04%	77.34%	76.49%	75.16%
Plan's proportionate share of aggregate employer contributions	\$ 1,133,328	\$ 895,434	\$ 687,419	\$ 467,363	\$ 438,015

* - The Miscellaneous Plans transitioned from an Agent plan to Cost-Sharing plan at Measurement Date (6/30/2016), therefore only three years are shown.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years
For the Year Ended June 30, 2021

	Safety Plan						
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.149893%	0.145009%	0.146625%	0.144796%	0.144796%	0.151039%	0.159430%
Plan's proportionate share of the net pension liability	\$ 16,309,009	\$ 14,859,140	\$ 14,129,130	\$ 14,359,822	\$ 12,862,930	\$ 10,367,155	\$ 9,920,642
Plan's covered-employee payroll	\$ 3,298,148	\$ 4,302,084	\$ 4,176,782	\$ 4,055,128	\$ 3,937,017	\$ 4,423,592	\$ 4,864,763
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	494.49%	345.39%	338.28%	354.12%	326.72%	234.36%	203.93%
Plan's fiduciary net position	\$ 41,647,330	\$ 40,888,911	\$ 39,609,126	\$ 37,100,280	\$ 34,521,294	\$ 36,372,416	\$ 35,281,244
Plan's fiduciary net position as a percentage of the total pension liability	71.86%	73.35%	73.71%	72.10%	72.85%	77.82%	78.05%
Plan's proportionate share of aggregate employer contributions	\$ 1,517,998	\$ 1,249,931	\$ 1,523,035	\$ 1,466,631	\$ 1,385,061	\$ 1,275,182	\$ 1,305,223

¹ Information only presented from the implementation year

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Last Ten Years
For the Year Ended June 30, 2021

Miscellaneous Plan

Total Pension Liability	6/30/2015*	6/30/2014*
Service cost	\$ 667,325	\$ 693,757
Interest on total pension liability	3,135,933	2,997,774
Differences between expected and actual experience	(259,080)	-
Changes in assumptions	(840,438)	-
Changes in benefit terms	-	-
Benefit payments, including refunds of employee contributions	(1,654,333)	(1,458,707)
Net change in total pension liability	1,049,407	2,232,824
Total pension liability - beginning	42,585,621	40,352,797
Total pension liability - ending (a)	\$ 43,635,028	\$ 42,585,621
Plan fiduciary net position		
Contributions - employer	\$ 389,771	\$ 344,145
Contributions - employee	375,172	396,410
Investment income (net of administrative expenses)	807,277	5,423,642
Benefit payments	(1,654,333)	(1,458,707)
Other	(40,762)	-
Net change in plan fiduciary net position	(122,875)	4,705,490
Plan fiduciary net position - beginning	36,319,001	31,613,511
Plan fiduciary net position - ending (b)	\$ 36,196,126	\$ 36,319,001
Net pension liability - ending (a)-(b)	\$ 7,438,902	\$ 6,266,620
Plan fiduciary net position as a percentage of the total pension liability	82.95%	77.52%
Covered-employee payroll	\$ 5,315,723	\$ 5,851,522
Net pension liability as a percentage of covered-employee payroll	139.94%	107.09%

Notes to Schedule:

* - The Miscellaneous Plans transitioned from an Agent plan to Cost-Sharing plan at Measurement Date (6/30/2016), therefore only two years are shown.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions
Last Ten Years
For the Year Ended June 30, 2021

Miscellaneous Plan								
Fiscal Year:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 1,313,856	\$ 1,133,328	\$ 895,434	\$ 687,419	\$ 467,363	\$ 438,015	\$ 389,770	\$ 344,145
Contributions in relation to the actuarially determined contributions	(1,313,856)	(1,133,328)	(895,434)	(687,419)	(467,363)	(438,015)	(389,770)	(344,145)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,984,193	\$ 5,434,448	\$ 5,438,921	\$ 5,280,506	\$ 5,126,704	\$ 4,977,383	\$ 5,315,723	\$ 5,851,522
Contributions as a percentage of covered payroll	21.96%	20.85%	16.46%	13.02%	9.12%	8.80%	7.33%	5.88%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions (Continued)
Last Ten Years
For the Year Ended June 30, 2021

Safety Plan								
Fiscal Year:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14¹
Contractually determined contribution (actuarially determined)	\$ 1,750,135	\$ 1,517,998	\$ 1,249,931	\$ 1,523,035	\$ 1,466,631	\$ 1,385,061	\$ 1,275,182	\$ 1,305,223
Contributions in relation to the actuarially determined contributions	(1,750,135)	(1,517,998)	(1,249,931)	(1,523,035)	(1,466,631)	(1,385,061)	(1,275,182)	(1,305,223)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,743,588	\$ 3,298,148	\$ 4,302,084	\$ 4,176,781	\$ 4,055,128	\$ 3,937,017	\$ 4,423,592	\$ 4,864,763
Contributions as a percentage of covered payroll	36.89%	46.03%	29.05%	36.46%	36.17%	35.18%	28.83%	26.83%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years
For the Year Ended June 30, 2021

Measurement period, year ending:	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018¹</u>
Total OPEB liability				
Service cost	\$ 744,778	\$ 590,159	\$ 517,429	\$ 515,161
Interest	751,908	1,072,411	1,102,423	1,060,772
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	8,428,759	(9,512,833)	-	-
Changes of assumptions	2,394,594	2,776,757	1,696,768	(472,245)
Benefit payments, including refunds of member contributions	<u>(871,030)</u>	<u>(852,037)</u>	<u>(832,731)</u>	<u>(781,907)</u>
Net change in total OPEB liability	11,449,009	(5,925,543)	2,483,889	321,781
Total OPEB liability - beginning	<u>27,955,092</u>	<u>33,880,635</u>	<u>31,396,746</u>	<u>31,074,965</u>
Total OPEB liability - ending (a)	<u>\$ 39,404,101</u>	<u>\$ 27,955,092</u>	<u>\$ 33,880,635</u>	<u>\$ 31,396,746</u>
OPEB fiduciary net position				
Contributions - employer	\$ 871,030	\$ 852,037	\$ 832,731	\$ 781,907
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(871,030)	(852,037)	(832,731)	(781,907)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 39,404,101</u>	<u>\$ 27,955,092</u>	<u>\$ 33,880,635</u>	<u>\$ 31,396,746</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 6,400,439	\$ 6,229,138	\$ 6,062,421	\$ 5,900,167
Plan net OPEB liability as a percentage of covered-employee payroll	615.65%	308.14%	347.81%	532.13%

¹ Information only presented from the implementation year

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

City of Calexico
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

Special Revenue

	Library Grant	Community Donations	Art in Public Places	Cannabis Permits	El Portal	Gas Tax
ASSETS						
Cash and investments	\$ 1,690	\$ 12,551	\$ 111,622	\$ 39,007	\$ -	\$ 673,860
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	8,205	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	66,904	-	-	-	-
Total assets	\$ 1,690	\$ 79,455	\$ 111,622	\$ 39,007	\$ 8,205	\$ 673,860
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,690	\$ 2,063	\$ -	\$ 354	\$ -	\$ 63,344
Accrued payroll	-	-	-	-	-	3,209
Due to other funds	-	-	-	-	8,205	-
Deposits payable	-	-	-	38,653	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	1,690	2,063	-	39,007	8,205	66,553
Fund Balances:						
Restricted	-	77,392	111,622	-	-	607,307
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	-	77,392	111,622	-	-	607,307
Total liabilities and fund balances	\$ 1,690	\$ 79,455	\$ 111,622	\$ 39,007	\$ 8,205	\$ 673,860

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Special Revenue					
	Road Maintenance Rehabilitation	LTF Article 3	TDA	Prop 172 Public Safety Sales Tax	State COPS Grant	Operation Stonegarden
ASSETS						
Cash and investments	\$ 1,762,714	\$ 407,661	\$ 121,501	\$ -	\$ -	\$ -
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	138,157	21,829	41,963	236,099	236,532	9,744
Due from other funds	-	-	-	-	-	-
Total assets	\$ 1,900,871	\$ 429,490	\$ 163,464	\$ 236,099	\$ 236,532	\$ 9,744
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,470	\$ -	\$ 340	\$ -	\$ 4,145	\$ -
Accrued payroll	-	-	109	-	-	-
Due to other funds	-	-	-	236,099	232,387	9,744
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	1,470	-	449	236,099	236,532	9,744
Fund Balances:						
Restricted	1,899,401	429,490	163,015	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	1,899,401	429,490	163,015	-	-	-
Total liabilities and fund balances	\$ 1,900,871	\$ 429,490	\$ 163,464	\$ 236,099	\$ 236,532	\$ 9,744

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Special Revenue					
	HIDTA	FEMA	Bravo-Victoria Eastside Village Assessment	General Plan Update	Solid Waste	
ASSETS						
Cash and investments	\$ -	\$ 2,182	\$ 558,895	\$ 8,526	\$ -	\$ 19,400
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	2,779	341,312	6,004	-	-	-
Due from other funds	-	-	534,161	-	662,113	-
Total assets	\$ 2,779	\$ 343,494	\$ 1,099,060	\$ 8,526	\$ 662,113	\$ 19,400
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 233	\$ 42,347	\$ -	\$ 345,126	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	2,779	315,000	-	-	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	28,261	-	-	-	-
Total liabilities	2,779	343,494	42,347	-	345,126	-
Fund Balances:						
Restricted	-	-	1,056,713	8,526	316,987	19,400
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	-	-	1,056,713	8,526	316,987	19,400
Total liabilities and fund balances	\$ 2,779	\$ 343,494	\$ 1,099,060	\$ 8,526	\$ 662,113	\$ 19,400

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Special Revenue					Debt Service
	Federal HOME Grant Fund	Successor Housing	State CalHOME Grant	Federal CDBG Grant	Local Housing Programs	Measure H Debt Service
ASSETS						
Cash and investments	\$ 705,022	\$ 1,992,669	\$ 55,824	\$ 2,372,678	\$ 1,635	\$ -
Cash and investments with fiscal agents	-	-	-	-	-	998,040
Receivables:						
Accounts	1,660	500	-	6,759	5,126	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 706,682	\$ 1,993,169	\$ 55,824	\$ 2,379,437	\$ 6,761	\$ 998,040
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 27,952	\$ -	\$ -	\$ 103,440	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	27,952	-	-	103,440	-	-
Fund Balances:						
Restricted	678,730	1,993,169	55,824	2,275,997	6,761	998,040
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	678,730	1,993,169	55,824	2,275,997	6,761	998,040
Total liabilities and fund balances	\$ 706,682	\$ 1,993,169	\$ 55,824	\$ 2,379,437	\$ 6,761	\$ 998,040

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Debt Service		Capital Projects			
	Measure D Debt Service	General Capital Projects	Capital Grants		DIF - Parks/ Recreation	DIF - Parking
			Capital Projects Fund	DIF - Libraries		
ASSETS						
Cash and investments	\$ -	\$ 2,189,547	\$ -	\$ 134,378	\$ 425,757	\$ 265,056
Cash and investments with fiscal agents	2,087,593	277,704	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	480,810	-	-	-
Due from other funds	-	617,833	-	-	-	-
Total assets	\$ 2,087,593	\$ 3,085,084	\$ 480,810	\$ 134,378	\$ 425,757	\$ 265,056
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 20,966	\$ 3,750	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	459,844	-	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	480,810	3,750	-	-
Fund Balances:						
Restricted	2,087,593	2,562,084	-	130,628	425,757	265,056
Assigned	-	523,000	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	2,087,593	3,085,084	-	130,628	425,757	265,056
Total liabilities and fund balances	\$ 2,087,593	\$ 3,085,084	\$ 480,810	\$ 134,378	\$ 425,757	\$ 265,056

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Capital Projects					
	DIF - General Government	DIF - Traffic	DIF - Police	DIF - Fire	Cole Road Improvements	Northwest Area Development
ASSETS						
Cash and investments	\$ 282,510	\$ 1,804,872	\$ 249,109	\$ -	\$ 1,575,246	\$ 464,736
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 282,510	\$ 1,804,872	\$ 249,109	\$ -	\$ 1,575,246	\$ 464,736
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	132,764	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	2,500	-	-	132,764	-	-
Fund Balances:						
Restricted	280,010	1,804,872	249,109	-	1,575,246	464,736
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(132,764)	-	-
Total fund balances	280,010	1,804,872	249,109	(132,764)	1,575,246	464,736
Total liabilities and fund balances	\$ 282,510	\$ 1,804,872	\$ 249,109	\$ -	\$ 1,575,246	\$ 464,736

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Capital Projects			Total Non-Major Governmental Funds
	East Area Facilities Plan	Corsair, LLC	New River Grants	
ASSETS				
Cash and investments	\$ 936,702	\$ -	\$ 694	\$ 17,176,044
Cash and investments with fiscal agents	-	-	-	3,363,337
Receivables:				
Accounts	-	-	-	22,250
Intergovernmental	-	-	182,285	1,697,514
Due from other funds	-	-	-	1,881,011
Total assets	\$ 936,702	\$ -	\$ 182,979	\$ 24,140,156
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 61,493	\$ 681,213
Accrued payroll	-	-	-	3,318
Due to other funds	-	-	121,486	1,518,308
Deposits payable	-	-	-	38,653
Unearned revenue	-	-	-	28,261
Total liabilities	-	-	182,979	2,269,753
Fund Balances:				
Restricted	936,702	-	-	21,480,167
Assigned	-	-	-	523,000
Unassigned (deficit)	-	-	-	(132,764)
Total fund balances	936,702	-	-	21,870,403
Total liabilities and fund balances	\$ 936,702	\$ -	\$ 182,979	\$ 24,140,156

(Concluded)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					
	Library Grant	Community Donations	Art in Public Places	Cannabis Permits	El Portal	Gas Tax
REVENUES:						
Intergovernmental	\$ 36,958	\$ -	\$ -	\$ -	\$ -	\$ 893,008
Charges for services	-	-	7,253	4,600	88	-
Use of money and property	-	-	111	-	-	625
Other revenues	-	7,844	-	-	-	-
Total revenues	36,958	7,844	7,364	4,600	88	893,633
EXPENDITURES:						
Current:						
General government	-	17,308	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	1,303,732
Culture and recreation	36,958	-	-	-	-	-
Planning and building	-	-	-	4,600	88	-
Housing	-	-	-	-	-	-
Capital outlay	-	7,746	-	-	-	220,204
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	36,958	25,054	-	4,600	88	1,523,936
REVENUES OVER (UNDER) EXPENDITURES	-	(17,210)	7,364	-	-	(630,303)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	(17,210)	7,364	-	-	(630,303)
FUND BALANCES:						
Beginning of year	-	94,602	104,258	-	-	1,237,610
End of year	\$ -	\$ 77,392	\$ 111,622	\$ -	\$ -	\$ 607,307

(Continued)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					
	Road			Prop 172	State	
	Maintenance Rehabilitation	LTF Article 3	TDA	Public Safety Sales Tax	COPS Grant	Operation Stonegarden
REVENUES:						
Intergovernmental	\$ 758,152	\$ 21,829	\$ 41,963	\$ 236,100	\$ 236,532	\$ 9,744
Charges for services	-	-	-	-	-	-
Use of money and property	1,687	404	120	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	759,839	22,233	42,083	236,100	236,532	9,744
EXPENDITURES:						
Current:						
General government	-	-	-	118,049	-	-
Public safety	-	-	-	118,051	236,532	9,744
Public works	-	-	14,363	-	-	-
Culture and recreation	-	-	-	-	-	-
Planning and building	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	15,493	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	15,493	-	14,363	236,100	236,532	9,744
REVENUES OVER (UNDER) EXPENDITURES	744,346	22,233	27,720	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(23,336)	-	-	-
Total other financing sources (uses)	-	-	(23,336)	-	-	-
Net change in fund balances	744,346	22,233	4,384	-	-	-
FUND BALANCES:						
Beginning of year	1,155,055	407,257	158,631	-	-	-
End of year	\$ 1,899,401	\$ 429,490	\$ 163,015	\$ -	\$ -	\$ -

(Continued)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					Business Improvement District
	HIDTA	FEMA	Bravo-Victoria Eastside Village Assessment	General Plan Update	Solid Waste	
REVENUES:						
Intergovernmental	\$ 3,585	\$ 574,727	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	221,954	-	2,421,335	500
Use of money and property	-	-	1,132	9	535	25
Other revenues	-	-	-	-	-	-
Total revenues	3,585	574,727	223,086	9	2,421,870	525
EXPENDITURES:						
Current:						
General government	-	166,327	-	-	-	63
Public safety	3,585	397,426	-	-	-	-
Public works	-	7,169	46,047	-	2,350,137	-
Culture and recreation	-	3,805	-	-	-	-
Planning and building	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	162,672	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,585	574,727	208,719	-	2,350,137	63
REVENUES OVER (UNDER) EXPENDITURES	-	-	14,367	9	71,733	462
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	3,142
Transfers out	-	-	-	-	(3,142)	-
Total other financing sources (uses)	-	-	-	-	(3,142)	3,142
Net change in fund balances	-	-	14,367	9	68,591	3,604
FUND BALANCES:						
Beginning of year	-	-	1,042,346	8,517	248,396	15,796
End of year	\$ -	\$ -	\$ 1,056,713	\$ 8,526	\$ 316,987	\$ 19,400

(Continued)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					Debt Service
	Federal HOME Grant Fund	Successor Housing	State CalHOME Grant	Federal CDBG Grant	Local Housing Programs	Measure H Debt Service
	REVENUES:					
Intergovernmental	\$ 121,250	\$ -	\$ -	\$ 102,804	\$ -	\$ -
Charges for services	-	-	-	-	4,000	-
Use of money and property	-	16,161	55	-	17,219	53
Other revenues	-	-	-	-	-	-
Total revenues	121,250	16,161	55	102,804	21,219	53
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	2,198
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Planning and building	-	-	-	-	-	-
Housing	4,701	1,093	632	5,349	97,371	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	635,000
Interest and fiscal charges	-	-	-	-	-	360,800
Total expenditures	4,701	1,093	632	5,349	97,371	997,998
REVENUES OVER (UNDER) EXPENDITURES	116,549	15,068	(577)	97,455	(76,152)	(997,945)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	67,000	997,154
Transfers out	-	(67,000)	-	-	-	-
Total other financing sources (uses)	-	(67,000)	-	-	67,000	997,154
Net change in fund balances	116,549	(51,932)	(577)	97,455	(9,152)	(791)
FUND BALANCES:						
Beginning of year	562,181	2,045,101	56,401	2,178,542	15,913	998,831
End of year	<u>\$ 678,730</u>	<u>\$ 1,993,169</u>	<u>\$ 55,824</u>	<u>\$ 2,275,997</u>	<u>\$ 6,761</u>	<u>\$ 998,040</u>

(Continued)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Debt Service		Capital Projects			
	Measure D Debt Service	General Capital Projects	Capital Grants		DIF - Parks/ Recreation	
			Capital Projects Fund	DIF - Libraries	DIF - Parking	
REVENUES:						
Intergovernmental	\$ 1,850,234	\$ 277,704	\$ 572,217	\$ -	\$ -	\$ -
Charges for services	-	-	-	9,385	19,994	-
Use of money and property	480	2,266	-	133	422	263
Other revenues	-	-	-	-	-	-
Total revenues	1,850,714	279,970	572,217	9,518	20,416	263
EXPENDITURES:						
Current:						
General government	1,571	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Planning and building	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	182	216,595	121,894	3,404	-
Debt service:						
Principal	875,000	-	-	-	-	-
Interest and fiscal charges	915,750	-	-	-	-	-
Total expenditures	1,792,321	182	216,595	121,894	3,404	-
REVENUES OVER (UNDER) EXPENDITURES	58,393	279,788	355,622	(112,376)	17,012	263
OTHER FINANCING SOURCES (USES):						
Transfers in	-	523,000	-	-	-	-
Transfers out	-	-	(355,622)	-	-	-
Total other financing sources (uses)	-	523,000	(355,622)	-	-	-
Net change in fund balances	58,393	802,788	-	(112,376)	17,012	263
FUND BALANCES:						
Beginning of year	2,029,200	2,282,296	-	243,004	408,745	264,793
End of year	\$ 2,087,593	\$ 3,085,084	\$ -	\$ 130,628	\$ 425,757	\$ 265,056

(Continued)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Capital Projects					
	DIF - General				Cole Road	Northwest Area
	Government	DIF - Traffic	DIF - Police	DIF - Fire	Improvements	Development
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	3,268	15,496	9,459	9,846	-	-
Use of money and property	280	1,790	247	-	1,563	461
Other revenues	-	-	-	-	-	-
Total revenues	3,548	17,286	9,706	9,846	1,563	461
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Planning and building	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	64,251	43,076	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	64,251	43,076	-	-	-	-
REVENUES OVER						
(UNDER) EXPENDITURES	(60,703)	(25,790)	9,706	9,846	1,563	461
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(60,703)	(25,790)	9,706	9,846	1,563	461
FUND BALANCES:						
Beginning of year	340,713	1,830,662	239,403	(142,610)	1,573,683	464,275
End of year	<u>\$ 280,010</u>	<u>\$ 1,804,872</u>	<u>\$ 249,109</u>	<u>\$ (132,764)</u>	<u>\$ 1,575,246</u>	<u>\$ 464,736</u>

(Continued)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Capital Projects			Total Non-Major Governmental Funds
	East Area		New River	
	Facilities Plan	Corsair, LLC	Grants	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 147,128	\$ 5,883,935
Charges for services	-	-	-	2,727,178
Use of money and property	929	-	-	46,970
Other revenues	-	-	-	7,844
Total revenues	929	-	147,128	8,665,927
EXPENDITURES:				
Current:				
General government	-	-	-	305,516
Public safety	-	-	-	765,338
Public works	-	-	-	3,721,448
Culture and recreation	-	-	-	40,763
Planning and building	-	-	-	4,688
Housing	-	-	-	109,146
Capital outlay	-	-	147,128	1,002,645
Debt service:				
Principal	-	-	-	1,510,000
Interest and fiscal charges	-	-	-	1,276,550
Total expenditures	-	-	147,128	8,736,094
REVENUES OVER (UNDER) EXPENDITURES	929	-	-	(70,167)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	1,590,296
Transfers out	-	-	-	(449,100)
Total other financing sources (uses)	-	-	-	1,141,196
Net change in fund balances	929	-	-	1,071,029
FUND BALANCES:				
Beginning of year	935,773	-	-	20,799,374
End of year	\$ 936,702	\$ -	\$ -	\$ 21,870,403

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INTERNAL SERVICE FUNDS

City of Calexico
Statement of Net Position
All Internal Service Funds
June 30, 2021

	Payroll	Medical Active	Medical Retirees	Workers' Compensation
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 135,000	\$ -
Accounts receivable, net	62,806	-	-	-
Due from other funds	133,517	397,161	347,498	2,018,398
Deposits	-	-	-	125,000
Inventories and prepaid items	-	-	-	-
Total current assets	196,323	397,161	482,498	2,143,398
Total assets	196,323	397,161	482,498	2,143,398
LIABILITIES				
Current liabilities:				
Accounts payable	172,643	120,070	34,363	68,769
Accrued payroll	23,680	-	-	-
Claims payable - due within one year	-	-	-	622,000
Total current liabilities	196,323	120,070	34,363	690,769
Noncurrent liabilities:				
Claims payable - due in more than one year	-	-	-	1,450,000
Total noncurrent liabilities	-	-	-	1,450,000
Total liabilities	196,323	120,070	34,363	2,140,769
NET POSITION				
Unrestricted (deficit)	-	277,091	448,135	2,629
Total net position	\$ -	\$ 277,091	\$ 448,135	\$ 2,629

(Continued)

City of Calexico
Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2021

	General Liability	Unemployment Insurance	Total
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ -	\$ 135,000
Accounts receivable, net	-	-	62,806
Due from other funds	1,565,411	5,508	4,467,493
Deposits	50,000	-	175,000
Inventories and prepaid items	170,513	-	170,513
Total current assets	1,785,924	5,508	5,010,812
Total assets	1,785,924	5,508	5,010,812
LIABILITIES			
Current liabilities:			
Accounts payable	226,568	1,326	623,739
Accrued payroll	-	-	23,680
Claims payable - due within one year	1,041,064	-	1,663,064
Total current liabilities	1,267,632	1,326	2,310,483
Noncurrent liabilities:			
Claims payable - due in more than one year	518,000	-	1,968,000
Total noncurrent liabilities	518,000	-	1,968,000
Total liabilities	1,785,632	1,326	4,278,483
NET POSITION			
Unrestricted (deficit)	292	4,182	732,329
Total net position	\$ 292	\$ 4,182	\$ 732,329

(Concluded)

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2021

	Payroll	Medical Active	Medical Retirees	Workers' Compensation
OPERATING REVENUES:				
Charges for services	\$ -	\$ 2,291,238	\$ 1,257,000	\$ 1,289,486
Other revenue	-	366,559	56,620	-
Total operating revenues	-	2,657,797	1,313,620	1,289,486
OPERATING EXPENSES:				
Material, supplies, and operational expenses	-	42,665	8,400	89,611
Insurance	-	-	-	224,041
Claim payments	-	1,591,872	549,299	565,045
Claims administration	-	878,243	265,111	45,227
Total operating expenses	-	2,512,780	822,810	923,924
OPERATING INCOME (LOSS)	-	145,017	490,810	365,562
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	-	383	561	2,244
Total nonoperating revenues (expenses)	-	383	561	2,244
INCOME (LOSS) BEFORE TRANSFERS	-	145,400	491,371	367,806
TRANSFERS:				
Transfers in	-	-	-	-
Transfers out	-	-	(118,000)	(200,000)
Total transfers	-	-	(118,000)	(200,000)
Changes in net position	-	145,400	373,371	167,806
NET POSITION:				
Beginning of year	-	131,691	74,764	(165,177)
End of year	<u>\$ -</u>	<u>\$ 277,091</u>	<u>\$ 448,135</u>	<u>\$ 2,629</u>

(Continued)

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2021

	General Liability	Unemployment Insurance	Total
OPERATING REVENUES:			
Charges for services	\$ 947,300	\$ 79,754	\$ 5,864,778
Other revenue	-	-	423,179
Total operating revenues	947,300	79,754	6,287,957
OPERATING EXPENSES:			
Material, supplies, and operational expenses	36,124	-	176,800
Insurance	453,573	-	677,614
Claim payments	830,828	11,426	3,548,470
Claims administration	31,500	-	1,220,081
Total operating expenses	1,352,025	11,426	5,622,965
OPERATING INCOME (LOSS)	(404,725)	68,328	664,992
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	915	70	4,173
Total nonoperating revenues (expenses)	915	70	4,173
INCOME (LOSS) BEFORE TRANSFERS	(403,810)	68,398	669,165
TRANSFERS:			
Transfers in	383,000	-	383,000
Transfers out	-	(65,000)	(383,000)
Total transfers	383,000	(65,000)	-
Changes in net position	(20,810)	3,398	669,165
NET POSITION:			
Beginning of year	21,102	784	63,164
End of year	<u>\$ 292</u>	<u>\$ 4,182</u>	<u>\$ 732,329</u>

(Concluded)

City of Calexico
Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2021

	Payroll	Medical Active	Medical Retirees	Workers Compensation
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ -	\$ 2,669,426	\$ 1,347,688	\$ 1,300,560
Cash payments to suppliers for goods and services	(274,883)	(895,115)	(298,525)	(126,681)
Cash payments for claims and insurance	-	(1,591,872)	(549,299)	(656,086)
Net cash provided by (used in) operating activities	(274,883)	182,439	499,864	517,793
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Principal paid on noncapital-related debt	-	-	-	(363,956)
Cash payments to other funds	(133,517)	(397,161)	(347,498)	(917,521)
Transfers in	-	-	-	-
Transfers out	-	-	(118,000)	(200,000)
Net cash (used in) noncapital financing activities	(133,517)	(397,161)	(465,498)	(1,481,477)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	-	383	561	2,244
Net cash provided by investing activities	-	383	561	2,244
Net increase (decrease) in cash and cash equivalents	(408,400)	(214,339)	34,927	(961,440)
CASH AND CASH EQUIVALENTS:				
Beginning of year	408,400	214,339	100,073	961,440
End of year	\$ -	\$ -	\$ 135,000	\$ -

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2021

	General Liability	Unemployment Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 947,300	\$ 79,936	\$ 6,344,910
Cash payments to suppliers for goods and services	(77,581)	-	(1,672,785)
Cash payments for claims and insurance	(482,905)	(11,831)	(3,291,993)
Net cash provided by (used in) operating activities	386,814	68,105	1,380,132
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Principal paid on noncapital-related debt	(479,177)	-	(843,133)
Cash payments to other funds	(881,970)	(5,508)	(2,683,175)
Transfers in	383,000	-	383,000
Transfers out	-	(65,000)	(383,000)
Net cash (used in) noncapital financing activities	(978,147)	(70,508)	(3,526,308)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	915	70	4,173
Net cash provided by investing activities	915	70	4,173
Net increase (decrease) in cash and cash equivalents	(590,418)	(2,333)	(2,142,003)
CASH AND CASH EQUIVALENTS:			
Beginning of year	590,418	2,333	2,277,003
End of year	\$ -	\$ -	\$ 135,000

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2021

	Payroll	Medical Active	Medical Retirees	Workers Compensation
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ -	\$ 145,017	\$ 490,810	\$ 365,562
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable	(41,499)	11,629	34,068	11,074
Inventories and prepaid items	-	-	-	-
Accounts payable	15,233	25,793	(25,014)	8,157
Accrued payroll	(248,617)	-	-	-
Claims payable	-	-	-	133,000
Total adjustments	(274,883)	37,422	9,054	152,231
Net cash provided by (used in) operating activities	\$ (274,883)	\$ 182,439	\$ 499,864	\$ 517,793

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2021

	General Liability	Unemployment Insurance	Total
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH PROVIDED			
BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (404,725)	\$ 68,328	\$ 664,992
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	-	182	15,454
Inventories and prepaid items	(47,784)	-	(47,784)
Accounts payable	37,827	(405)	61,591
Accrued payroll	-	-	(248,617)
Claims payable	801,496	-	934,496
Total adjustments	<u>791,539</u>	<u>(223)</u>	<u>715,140</u>
Net cash provided by (used in) operating activities	<u>\$ 386,814</u>	<u>\$ 68,105</u>	<u>\$ 1,380,132</u>

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CUSTODIAL FUNDS

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City of Calexico
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Corsair 2013-1		Hearthstone		
	Gran Plaza	Towncenter	2005-1	Venezia	
	CFD	CFD	CFD	CFD	Total
ASSETS					
Cash and investments	\$ 51,595	\$ -	\$ 226,041	\$ -	\$ 277,636
Cash and investments with fiscal agents	677,694	-	411,792	-	1,089,486
Due from other governments	-	-	13,487	-	13,487
Total assets	729,289	-	651,320	-	1,380,609
LIABILITIES					
Accounts payable	\$ 985	\$ -	\$ 3,786	\$ -	4,771
Total liabilities	985	-	3,786	-	4,771
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments, as restated	728,304	-	647,534	-	1,375,838
Total Net Position	\$ 728,304	\$ -	\$ 647,534	\$ -	\$ 1,375,838

City of Calexico
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Corsair 2013-1		Hearthstone	Venezia	
	Gran Plaza	Towncenter	2005-1		
	CFD	CFD	CFD	CFD	Total
ADDITIONS:					
Special assessments for other governments	\$ 179,983	\$ -	\$ 692,129	\$ -	\$ 872,112
Investment earnings	345	-	252	-	597
Total additions	180,328	-	692,381	-	872,709
DEDUCTIONS:					
Administration	24,862	8,458	34,612	22,339	90,271
Public safety	-	-	131,753	-	131,753
Payments - principal	150,000	-	-	-	150,000
Payments - interest	366,400	-	325,044	-	691,444
Total deductions	541,262	8,458	491,409	22,339	1,063,468
Changes in net position	(360,934)	(8,458)	200,972	(22,339)	(190,759)
NET POSITION:					
Beginning of year, as restated	1,089,238	8,458	446,562	22,339	1,566,597
End of year	\$ 728,304	\$ -	\$ 647,534	\$ -	\$ 1,375,838