

City of Calexico

Calexico, California

Basic Financial Statements and Independent Auditors' Reports

For the Year Ended June 30, 2023



City of Calexico
Basic Financial Statements
For the Year Ended June 30, 2023

Table of Contents

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Independent Auditors’ Report	1
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	10
Fund Financial Statements:	
<i>Governmental Fund Financial Statements:</i>	
Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
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	22
<i>Proprietary Fund Financial Statements:</i>	
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	27
Statement of Cash Flows	28
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position	34
Notes to the Basic Financial Statements	41
Required Supplementary Information (Unaudited):	
Notes to the Budgetary Information	91
Budgetary Comparison Schedules:	
General Fund	92
LTA Measure D Special Revenue Fund	93
FEMA/ARPA Special Revenue Fund	94
Schedules of the City’s Proportionate Share of the Net Pension Liability and Related Ratios	95
Schedule of Changes in the Net Pension Liability and Related Ratios	97
Schedule of Contributions	98
Schedule of Changes in Net OPEB Liability and Related Ratios	100
Schedule of Plan Contribution – OPEB	101

City of Calexico
Basic Financial Statements
For the Year Ended June 30, 2023

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113
Internal Service Funds:	
Statement of Net Position.....	122
Statement of Revenues, Expenses, and Changes in Net Position.....	124
Statement of Cash Flows.....	126
All Agency Funds:	
Combining Statement of Fiduciary Net Position.....	133
Statement of Changes in Fiduciary Assets and Liabilities	134



INDEPENDENT AUDITORS' REPORT



To the Honorable Mayor and Members
of the City Council of the City of Calexico
Calexico, California

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

To the Honorable Mayor and Members
of the City Council of the City of Calexico
Calexico, California
Page 3

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Nonmajor Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual 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 March 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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
March 28, 2024

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Calexico
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 45,948,540	\$ 36,052,699	\$ 82,001,239
Receivables:			
Accounts	1,094,637	3,015,377	4,110,014
Intergovernmental	6,016,354	30,164	6,046,518
Internal balances	10,001	(10,001)	-
Lease receivable - current	131,021	-	131,021
Inventories and prepaid items	76,677	24,014	100,691
Deposits	312,900	-	312,900
Total current assets	53,590,130	39,112,253	92,702,383
Noncurrent assets:			
Cash and investments with fiscal agents	1,275,758	36,859,054	38,134,812
Lease receivable - noncurrent	233,584	-	233,584
Capital assets:			
Non-depreciable assets	10,760,921	10,891,758	21,652,679
Depreciable assets, net	68,579,839	39,886,090	108,465,929
Total capital assets, net	79,340,760	50,777,848	130,118,608
Total noncurrent assets	80,850,102	87,636,902	168,487,004
Total assets	134,440,232	126,749,155	261,189,387
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding, net	-	72,069	72,069
Pension-related deferred outflows of resources	12,622,517	2,481,569	15,104,086
Total deferred outflows of resources	12,622,517	2,553,638	15,176,155

City of Calexico
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	1,745,710	318,795	2,064,505
Accrued payroll	139,170	33,110	172,280
Interest payable	82,133	203,875	286,008
Compensated absences - due within one year	207,818	21,819	229,637
Claims payable - due within one year	2,227,760	-	2,227,760
Long-term debt - due within one year	952,014	782,264	1,734,278
Total current liabilities	5,505,286	1,359,863	6,865,149
Noncurrent liabilities:			
Deposits payable	224,228	233,373	457,601
Compensated absences - due in more than one year	1,491,169	380,146	1,871,315
Claims payable - due in more than one year	2,003,000	-	2,003,000
Long-term debt - due in more than one year	5,944,235	38,934,674	44,878,909
Aggregate net OPEB liability	17,435,294	6,174,001	23,609,295
Aggregate net pension liability	29,185,096	6,291,039	35,476,135
Total noncurrent liabilities	56,283,022	52,013,233	108,296,255
Total liabilities	61,788,308	53,373,096	115,161,404
DEFERRED INFLOWS OF RESOURCES			
Lease-related deferred outflows of resources	353,297	-	353,297
Pension-related deferred inflows of resources	2,011,454	391,278	2,402,732
OPEB-related deferred inflows of resources	6,206,197	2,197,355	8,403,552
Total deferred inflows of resources	8,570,948	2,588,633	11,159,581
NET POSITION			
Net investment in capital assets	72,444,511	47,992,033	120,436,544
Restricted for:			
Special projects	13,490,036	-	13,490,036
Debt service	998,170	-	998,170
Capital projects	26,561,079	-	26,561,079
Total restricted	41,049,285	-	41,049,285
Unrestricted (deficit)	(36,790,303)	25,349,031	(11,441,272)
Total net position	\$ 76,703,493	\$ 73,341,064	\$ 150,044,557

City of Calexico
Statement of Activities
For the Year Ended June 30, 2023

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	\$ 3,268,559	\$ 237,646	\$ 533,256	\$ 62,747	\$ 833,649
Public safety	11,516,818	2,023,505	5,625,977	59,331	7,708,813
Public works	8,600,214	2,698,322	1,040,896	4,710,787	8,450,005
Culture and recreation	1,436,477	118,926	96,835	254,725	470,486
Planning and building	474,425	993,091	-	-	993,091
Housing	71,775	4,000	377,638	-	381,638
Interest and fiscal charges	245,127	-	-	-	-
Total governmental activities	25,613,395	6,075,490	7,674,602	5,087,590	18,837,682
Business-type activities:					
Water	6,888,999	8,027,695	-	412,469	8,440,164
Wastewater	4,338,259	6,178,808	-	349,223	6,528,031
Airport	716,349	373,546	-	1,074,294	1,447,840
Total business-type activities	11,943,607	14,580,049	-	1,835,986	16,416,035
Total primary government	\$ 37,557,002	\$ 20,655,539	\$ 7,674,602	\$ 6,923,576	\$ 35,253,717

City of Calexico
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (2,434,910)	\$ -	\$ (2,434,910)
Public safety	(3,808,005)	-	(3,808,005)
Public works	(150,209)	-	(150,209)
Culture and recreation	(965,991)	-	(965,991)
Planning and building	518,666	-	518,666
Housing	309,863	-	309,863
Interest and fiscal charges	(245,127)	-	(245,127)
Total governmental activities	(6,775,713)	-	(6,775,713)
Business-type activities:			
Water	-	1,551,165	1,551,165
Wastewater	-	2,189,772	2,189,772
Airport	-	731,491	731,491
Total business-type activities	-	4,472,428	4,472,428
Total primary government	(6,775,713)	4,472,428	(2,303,285)
General revenues:			
Taxes:			
Property taxes	6,589,616	-	6,589,616
Sales taxes	8,611,052	-	8,611,052
Transit occupancy taxes	582,508	-	582,508
Franchise fees	741,532	-	741,532
Non-regulatory business license tax	883,613	-	883,613
Other taxes	262,383	-	262,383
Total taxes	17,670,704	-	17,670,704
Investment income (loss)	943,569	667,734	1,611,303
Miscellaneous	32,293	25	32,318
Transfers	1,043,760	(1,043,760)	-
Total general revenues	19,690,326	(376,001)	19,314,325
Changes in net position	12,914,613	4,096,427	17,011,040
Net position - beginning of year	63,788,880	69,244,637	133,033,517
Net position - end of year	\$ 76,703,493	\$ 73,341,064	\$ 150,044,557

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

This page intentionally left blank.

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.

FEMA/ARPA Special Revenue Fund – This fund accounts for Federal and State disaster relief and American Rescue Plan Act grants

City of Calexico
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds		
	General	LTA Measure D	FEMA/ARPA
	Fund	Special Revenue Fund	Special Revenue Fund
ASSETS			
Cash and investments	\$ 1,365,595	\$ 12,487,277	\$ 7,022,813
Cash and investments with fiscal agents	-	-	-
Receivables:			
Accounts	1,086,095	-	-
Intergovernmental	1,851,308	-	1,321,239
Lease	364,605	-	-
Deposits	-	-	-
Inventories and prepaid items	68,715	-	-
Total assets	\$ 4,736,318	\$ 12,487,277	\$ 8,344,052
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 548,701	\$ 2,302	\$ 82,105
Accrued payroll	136,575	-	-
Due to other funds	-	-	-
Deposits payable	176,600	-	-
Unearned revenue	-	-	28,261
Total liabilities	861,876	2,302	110,366
Deferred Inflows of Resources:			
Lease-related deferred inflows of resources	353,297	-	-
Unavailable revenue	-	-	1,321,239
Total deferred inflows of resources	353,297	-	1,321,239
Fund Balances:			
Non-spendable	68,715	-	-
Restricted	-	12,484,975	6,912,447
Assigned	228,569	-	-
Unassigned (deficit)	3,223,861	-	-
Total fund balances	3,521,145	12,484,975	6,912,447
Total liabilities and fund balances	\$ 4,736,318	\$ 12,487,277	\$ 8,344,052

See accompanying Notes to the Basic Financial Statements.

**City of Calexico
Balance Sheet (Continued)
Governmental Funds
June 30, 2023**

	Non-Major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 21,939,650	\$ 42,815,335
Cash and investments with fiscal agents	1,275,758	1,275,758
Receivables:		
Accounts	8,542	1,094,637
Intergovernmental	2,843,807	6,016,354
Lease	-	364,605
Deposits	137,900	137,900
Inventories and prepaid items	-	68,715
Total assets	\$ 26,205,657	\$ 51,773,304
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	697,395	\$ 1,330,503
Accrued payroll	2,595	139,170
Due to other funds	2,554,757	2,554,757
Deposits payable	47,628	224,228
Unearned revenue	122,420	150,681
Total liabilities	3,424,795	4,399,339
Deferred Inflows of Resources:		
Lease-related deferred inflows of resources	-	353,297
Unavailable revenue	-	1,321,239
Total deferred inflows of resources	-	1,674,536
Fund Balances:		
Non-spendable	-	68,715
Restricted	21,651,863	41,049,285
Assigned	1,192,429	1,420,998
Unassigned (deficit)	(63,430)	3,160,431
Total fund balances	22,780,862	45,699,429
Total liabilities and fund balances	\$ 26,205,657	\$ 51,773,304

See accompanying Notes to the Basic Financial Statements.

This page intentionally left blank.

City of Calexico
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds	\$ 45,699,429
---	----------------------

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

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

Nondepreciable	10,760,921
Depreciable, net of accumulated depreciation	68,579,839
Total capital assets	79,340,760

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	(207,818)
Compensated absences - due in more than one year	(1,491,169)
Long-term liabilities - due within one year	(952,014)
Long-term liabilities - due in more than one year	(5,944,235)
Aggregate net OPEB liability	(17,435,294)
Aggregate net pension liability	(29,185,096)
Total reported in Government-Wide Statement of Net Position	(55,215,626)

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	12,622,517
Pension-related deferred inflows of resources	(2,011,454)

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 inflows of resources	(6,206,197)
--	-------------

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.

	(82,133)
--	----------

Unavailable revenues reported on the Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.

	1,321,239
--	-----------

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.

	1,234,958
--	-----------

Net Position of Governmental Activities

	\$ 76,703,493
--	----------------------

City of Calexico
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds		
	General	LTA Measure D	FEMA/ARPA
	Fund	Special Revenue Fund	Special Revenue Fund
REVENUES:			
Property taxes	\$ 3,125,032	\$ -	\$ -
Other taxes	10,030,909	-	-
Licenses and permits	1,941,657	-	-
Intergovernmental	3,790,861	1,847,350	4,763,493
Charges for services	2,063,045	-	-
Fines and forfeitures	221,308	-	-
Investment income	564,981	216,173	-
Other revenues	20,527	-	-
Total revenues	21,758,320	2,063,523	4,763,493
EXPENDITURES:			
Current:			
General government	3,160,021	-	-
Public safety	12,902,297	-	-
Public works	1,018,893	150,000	-
Culture and recreation	1,127,772	-	41,206
Planning and building	843,029	-	37,308
Housing	133,380	-	-
Contribution to CFD 2013-1	225,402	-	-
Capital outlay	-	65,639	980,048
Debt service:			
Principal	235,874	-	-
Interest and fiscal charges	4,782	-	-
Total expenditures	19,651,450	215,639	1,058,562
REVENUES OVER (UNDER)			
EXPENDITURES	2,106,870	1,847,884	3,704,931
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(1,522,250)	-	-
Total other financing sources (uses)	(1,522,250)	-	-
NET CHANGE IN FUND BALANCE	584,620	1,847,884	3,704,931
FUND BALANCES:			
Beginning of year	2,936,525	10,637,091	3,207,516
End of year	\$ 3,521,145	\$ 12,484,975	\$ 6,912,447

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ -	\$ 3,125,032
Other taxes	-	10,030,909
Licenses and permits	-	1,941,657
Intergovernmental	5,035,674	15,437,378
Charges for services	3,818,449	5,881,494
Fines and forfeitures	-	221,308
Investment income	264,898	1,046,052
Other revenues	15,007	35,534
Total revenues	9,134,028	37,719,364
EXPENDITURES:		
Current:		
General government	7,269	3,167,290
Public safety	414,351	13,316,648
Public works	3,894,820	5,063,713
Culture and recreation	92,865	1,261,843
Planning and building	-	880,337
Housing	15,424	148,804
Contribution to CFD 2013-1	-	225,402
Capital outlay	3,137,825	4,183,512
Debt service:		
Principal	685,000	920,874
Interest and fiscal charges	309,000	313,782
Total expenditures	8,556,554	29,482,205
REVENUES OVER (UNDER) EXPENDITURES	577,474	8,237,159
OTHER FINANCING SOURCES (USES):		
Transfers in	1,609,328	1,609,328
Transfers out	(87,078)	(1,609,328)
Total other financing sources (uses)	1,522,250	-
NET CHANGE IN FUND BALANCE	2,099,724	8,237,159
FUND BALANCES:		
Beginning of year	20,681,138	37,462,270
End of year	\$ 22,780,862	\$ 45,699,429

See accompanying Notes to the Basic Financial Statements.

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 8,237,159

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. (\$230,036 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	3,953,476
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.	(4,556,052)
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	6,987,496
Changes in net pension liabilities	(14,178,844)
Changes in pension-related deferred inflows of resources	9,873,949
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 total net OPEB liabilities	589,961
Changes in OPEB-related deferred inflows of resources	1,215,469
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.	12,686
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.	
Bond payment	685,000
Finance purchase agreement payment	235,874
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	60,663
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(265,000)
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.	7,992
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.	54,784
Change in Net Position of Governmental Activities	\$ 12,914,613

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

Airport Enterprise Fund – The fund is used to account for the operation, maintenance, and capital improvements of the City’s airport.

City of Calexico
Statement of Net Position
Proprietary Funds
June 30, 2023

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
ASSETS					
Current assets:					
Cash and investments	\$ 8,800,069	\$ 27,252,380	\$ 250	\$ 36,052,699	\$ 3,133,205
Accounts receivable, net	3,015,377	-	-	3,015,377	-
Intergovernmental receivables	-	-	30,164	30,164	-
Due from other funds	-	-	-	-	2,564,758
Deposits	-	-	-	-	175,000
Inventories and prepaid items	780	780	22,454	24,014	7,962
Total current assets	11,816,226	27,253,160	52,868	39,122,254	5,880,925
Noncurrent assets:					
Cash and investments with fiscal agents	14,256,478	22,602,576	-	36,859,054	-
Capital assets:					
Non-depreciable	2,756,198	4,240,473	3,895,087	10,891,758	-
Depreciable, net	30,101,031	6,981,315	2,803,744	39,886,090	-
Total net capital assets	32,857,229	11,221,788	6,698,831	50,777,848	-
Total noncurrent assets	47,113,707	33,824,364	6,698,831	87,636,902	-
Total assets	58,929,933	61,077,524	6,751,699	126,759,156	5,880,925
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding, net	72,069	-	-	72,069	-
Pension-related deferred outflows of resources	1,490,224	991,345	-	2,481,569	-
Total deferred outflows of resources	1,562,293	991,345	-	2,553,638	-

City of Calexico
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
LIABILITIES					
Current liabilities:					
Accounts payable	165,176	115,804	37,815	318,795	415,207
Accrued payroll	17,911	13,326	1,873	33,110	-
Interest payable	85,008	118,867	-	203,875	-
Due to other funds	-	-	10,001	10,001	-
Compensated absences - due within one year	15,589	6,230	-	21,819	-
Claims payable - due within one year	-	-	-	-	2,227,760
Long-term debt - due within one year	326,013	456,251	-	782,264	-
Total current liabilities	609,697	710,478	49,689	1,369,864	2,642,967
Noncurrent liabilities:					
Deposits payable	232,972	-	401	233,373	-
Compensated absences - due in more than one year	239,082	141,064	-	380,146	-
Total OPEB liability	3,769,275	2,404,726	-	6,174,001	-
Aggregate net pension liability	3,777,875	2,513,164	-	6,291,039	-
Claims payable - due in more than one year	-	-	-	-	2,003,000
Long term debt - due in more than one year	16,242,573	22,692,101	-	38,934,674	-
Total noncurrent liabilities	24,261,777	27,751,055	401	52,013,233	2,003,000
Total liabilities	24,871,474	28,461,533	50,090	53,383,097	4,645,967
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	234,969	156,309	-	391,278	-
OPEB-related deferred inflows of resources	1,341,502	855,853	-	2,197,355	-
Total deferred inflows of resources	1,576,471	1,012,162	-	2,588,633	-
NET POSITION					
Net investment in capital assets	30,617,190	10,676,012	6,698,831	47,992,033	-
Unrestricted	3,427,091	21,919,162	2,778	25,349,031	1,234,958
Total net position	\$ 34,044,281	\$ 32,595,174	\$ 6,701,609	\$ 73,341,064	\$ 1,234,958

This page intentionally left blank.

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
OPERATING REVENUES:					
Charges for services	\$ 8,027,695	\$ 6,178,808	\$ 373,546	\$ 14,580,049	\$ 5,872,920
Other revenue	-	-	25	25	473,740
Total operating revenues	8,027,695	6,178,808	373,571	14,580,074	6,346,660
OPERATING EXPENSES:					
Salaries and benefits	2,173,230	1,243,675	143,640	3,560,545	712,000
Material, supplies, and operational expenses	2,735,019	1,962,316	306,457	5,003,792	242,851
Insurance	-	-	6,705	6,705	1,005,162
Claim payments	-	-	-	-	4,040,696
Claims administration	-	-	-	-	1,364,880
Depreciation	1,505,893	477,325	259,547	2,242,765	-
Total operating expenses	6,414,142	3,683,316	716,349	10,813,807	7,365,589
OPERATING INCOME (LOSS)	1,613,553	2,495,492	(342,778)	3,766,267	(1,018,929)
NONOPERATING REVENUES (EXPENSES):					
Capital grants and contributions	412,469	349,223	1,074,294	1,835,986	-
Investment income	178,508	489,226	-	667,734	29,953
Interest expense	(474,857)	(654,943)	-	(1,129,800)	-
Total nonoperating revenues (expenses)	116,120	183,506	1,074,294	1,373,920	29,953
INCOME (LOSS) BEFORE TRANSFERS	1,729,673	2,678,998	731,516	5,140,187	(988,976)
TRANSFERS:					
Transfers in	-	-	-	-	1,393,760
Transfers out	(1,043,760)	-	-	(1,043,760)	(350,000)
Total transfers	(1,043,760)	-	-	(1,043,760)	1,043,760
Change in net position	685,913	2,678,998	731,516	4,096,427	54,784
NET POSITION:					
Beginning of year	33,358,368	29,916,176	5,970,093	69,244,637	1,180,174
End of year	\$ 34,044,281	\$ 32,595,174	\$ 6,701,609	\$ 73,341,064	\$ 1,234,958

City of Calexico
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds		Non-Major Fund	Total	Internal Service Funds
	Water	Wastewater	Airport		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 7,878,961	\$ 6,178,808	\$ 370,655	\$ 14,428,424	\$ 6,420,399
Cash payments to suppliers for goods and services	(2,712,866)	(1,988,219)	(363,584)	(5,064,669)	(2,346,070)
Cash payments to employees for services	(2,836,338)	(1,900,944)	(142,547)	(4,879,829)	(4,342,344)
Net cash provided by (used in) operating activities	<u>2,329,757</u>	<u>2,289,645</u>	<u>(135,476)</u>	<u>4,483,926</u>	<u>(268,015)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash received from other funds	-	-	-	-	267,122
Cash payments to other funds	-	-	(815,393)	(815,393)	(1,020)
Transfers in	-	-	-	-	1,393,760
Transfers out	(1,043,760)	-	-	(1,043,760)	(350,000)
Net cash provided by (used in) noncapital financing activities	<u>(631,291)</u>	<u>-</u>	<u>(815,393)</u>	<u>(1,446,684)</u>	<u>1,309,862</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(70,813)	(284,324)	(2,002,740)	(2,357,877)	-
Capital grants and contributions	412,469	349,223	2,908,330	3,670,022	-
Principal payments on bonds	(305,000)	(425,000)	-	(730,000)	-
Principal payments on capital leases	(64,518)	(41,547)	-	(106,065)	-
Interest payments on debt	(519,685)	(724,491)	-	(1,244,176)	-
Net cash provided by (used in) capital and related financing activities	<u>(547,547)</u>	<u>(1,126,139)</u>	<u>905,590</u>	<u>(768,096)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income (loss)	178,508	489,226	-	667,734	29,953
Net cash provided by (used in) investing activities	<u>178,508</u>	<u>489,226</u>	<u>-</u>	<u>667,734</u>	<u>29,953</u>
Net increase (decrease) in cash and cash equivalents	1,329,427	1,652,732	(45,279)	2,936,880	1,071,800
CASH AND CASH EQUIVALENTS:					
Beginning of year	22,139,589	48,202,224	45,529	70,387,342	2,061,405
End of year	<u>\$ 23,469,016</u>	<u>\$ 49,854,956</u>	<u>\$ 250</u>	<u>\$ 73,324,222</u>	<u>\$ 3,133,205</u>
RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION:					
Cash and investments	\$ 8,800,069	\$ 27,252,380	\$ 250	\$ 36,052,699	\$ 3,133,205
Cash and investments with fiscal agents	14,256,478	22,602,576	-	36,859,054	-
Total cash and investments	<u>\$ 23,056,547</u>	<u>\$ 49,854,956</u>	<u>\$ 250</u>	<u>\$ 72,911,753</u>	<u>\$ 3,133,205</u>

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			Total	Internal Service Funds
	Water	Wastewater	Airport		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,613,553	\$ 2,495,492	\$ (342,778)	\$ 3,766,267	\$ (1,018,929)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,505,893	477,325	259,547	2,242,765	-
Changes in operating assets and liabilities:					
Accounts receivable	(150,727)	-	-	(150,727)	73,739
Inventories, prepaid items, and deposits	1,620	-	58,606	60,226	209,951
Pension-related deferred outflows	(817,600)	(540,268)	-	(1,357,868)	-
Accounts payable	20,533	(25,903)	(109,028)	(114,398)	(389,736)
Accrued payroll	6,185	4,845	1,093	12,123	-
Deposits payable	1,993	-	(2,916)	(923)	-
Compensated absences	38,240	22,449	-	60,689	-
Aggregate net pension liability	1,766,485	1,164,277	-	2,930,762	-
Total OPEB liability	221,529	4,526	-	226,055	-
Claims payable	-	-	-	-	856,960
Pension-related deferred inflows	(1,758,710)	(1,180,700)	-	(2,939,410)	-
OPEB-related deferred inflows	(119,237)	(132,398)	-	(251,635)	-
Total adjustments	716,204	(205,847)	207,302	717,659	750,914
Net cash provided by (used in) operating activities	\$ 2,329,757	\$ 2,289,645	\$ (135,476)	\$ 4,483,926	\$ (268,015)
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES:					
Amortization of bond premiums	\$ 47,764	\$ 66,715	\$ -	\$ 114,479	\$ -
Total noncash noncapital financing activities	\$ 47,764	\$ 66,715	\$ -	\$ 114,479	\$ -

This page intentionally left blank.

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 2013-1 Gran Plaza CFD and Hearthstone 2005-1 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).

This page intentionally left blank.

City of Calexico
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds	Successor Agency to the Calexico Redevelopment Agency
ASSETS		
Current assets:		
Cash and investments	\$ 518,409	\$ 3,519,999
Cash and investments with fiscal agents	828,406	435,180
Due from other governments	55,146	-
Total current assets	1,401,961	3,955,179
Noncurrent assets:		
Capital assets:		
Nondepreciable	-	1,106,663
Depreciable, net accumulated depreciation	-	1,571,297
Total noncurrent assets	-	2,677,960
Total assets	1,401,961	6,633,139
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding, net	-	594,418
Total deferred outflows of resources	-	594,418
LIABILITIES		
Current liabilities:		
Accounts payable	4,541	1,158,019
Interest payable	-	237,153
Long-term debt - due within one year	-	1,710,000
Total current liabilities	4,541	3,105,172
Noncurrent liabilities:		
Long term debt - due in more than one year	-	14,834,632
Total noncurrent liabilities	-	14,834,632
Total liabilities	4,541	17,939,804
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organizations, and other governments	1,397,420	-
Held in trust for dissolution of RDA	-	(10,712,247)
Total net position (deficit)	\$ 1,397,420	\$ (10,712,247)

City of Calexico
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds	Successor Agency to the Calexico Redevelopment Agency
ADDITIONS:		
Property taxes - Redevelopment Property Tax Trust Fund (RPTTF)	\$ -	\$ 2,352,825
Fee collections for other governments	-	204,942
Special assessments for other governments	1,090,027	-
Investment income	29,328	109,677
Contribution from City	225,402	-
Other revenue	-	120,000
Total additions	1,344,757	2,787,444
DEDUCTIONS:		
Administration	68,081	-
Public safety	141,617	-
Depreciation	-	45,877
Enforceable obligations	-	258,459
Payments - principal	295,000	-
Payments - interest	1,000,438	-
Interest expense and fiscal charges	-	788,206
Total deductions	1,505,136	1,092,542
Change in net position	(160,379)	1,694,902
NET POSITION (DEFICIT):		
Beginning of year	1,557,799	(12,407,149)
End of year	<u>\$ 1,397,420</u>	<u>\$ (10,712,247)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

City of Calexico
Index to the Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Reporting Entity and Summary of Significant Accounting Policies.....	41
A. Financial Reporting Entity.....	41
B. Basis of Accounting and Measurement Focus.....	42
C. Deferred Outflows and Inflows of Resources.....	46
D. Cash, Cash Equivalents and Investments.....	46
E. Restricted Cash and Investments	46
F. Fair Value Measurement.....	47
G. Interfund Transactions	47
H. Inventories and Prepaid Items.....	47
I. Leases	47
J. Capital Assets	49
K. Pensions	49
L. Other Postemployment Benefits (“OPEB”).....	50
M. Compensated Absences	50
N. Unearned Revenue.....	51
O. Long-Term Debt	51
P. Net Position	51
Q. Fund Balances.....	52
R. Spending Policy	52
S. Property Taxes	53
T. Use of Accounting Estimates.....	53
U. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023	54
V. Upcoming Governmental Accounting Standards Implementation	55
Note 2 – Cash and Investments	55
A. Demand Deposits.....	56
B. Investments Authorized by the California Government Code and the City’s Investment Policy	57
C. Investments Authorized by Debt Agreements	57
D. External Investment Pool.....	57
E. Risk Disclosures	58
Note 3 – Lease Receivable.....	59
A. Governmental Activities.....	59
Note 4 – Notes and Loans Receivable and Allowance for Doubtful Accounts	60
Note 5 – Interfund Transactions	62
A. Due To and Due From Other Funds	62
B. Transfers In/Out.....	62
Note 6 – Capital Assets.....	63
A. Governmental Activities.....	63
B. Business-Type Activities	64
C. Fiduciary Funds	64

City of Calexico
Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt	65
A. Governmental Activities.....	65
B. Business-Type Activities.....	66
C. Fiduciary Funds.....	68
D. Conduit Debt.....	71
Note 8 – Compensated Absences	72
A. Governmental Activities.....	72
B. Business-Type Activities.....	72
Note 9 – Risk Management	72
A. Summary.....	72
B. Public Risk Innovation, Solutions, and Management – Excess Insurance Authority.....	73
Note 10 – Pension Plans	74
A. Summary.....	74
B. General Information about Pension Plans.....	75
C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions.....	77
D. Payable to the Pension Plan.....	81
Note 11 – Other Postemployment Benefits	81
A. Summary.....	81
B. General Information about OPEB.....	82
C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB.....	82
Note 12 – Commitments and Contingencies	85
A. Litigation.....	85
B. Grants.....	86
C. Construction.....	86
D. CFD 2013-1.....	86
Note 13 – Deferred Compensation Plan	86
Note 14 – Self-Funded Medical, Dental and Vision Plan	87
Note 15 – Other Required Disclosures	87
A. Deficit Fund Balances/Net Position.....	87
B. Expenditures Exceeding Appropriations.....	87

City of Calexico
Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Fund Balance Classification	88
Note 17 – Net Investment in Capital Assets	88

This page intentionally left blank.

City of Calexico
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

The basic financial statements of the City of Calexico, California (the “City”) have been prepared in conformity with accounting principles generally accepted in 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, 2023

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 Financing Authority was created for the purpose of assisting the financing or refinancing of certain public capital facilities within the City. Under the Act, the Financing 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 Financing 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 Financing 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 Financing 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 Financing 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 Financing Authority has covenanted to take or cause to be taken all actions reasonably necessary to continue the Financing 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, 2023

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
- 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 90 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, 2023

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.

FEMA/ARPA Special Revenue Fund – This fund accounts for Federal and State disaster relief and American Rescue Plan Act grants

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, 2023

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, maintenance, debt service, and capital improvements of the City’s water distribution system.

Wastewater Enterprise Fund – This fund accounts for the operation, maintenance, debt service, and capital improvements 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, 2023

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 and Balance Sheet – Governmental Funds 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 actuarial losses being amortized over time. See more information relating to these items in Note 10 – Pension Plans. Gains and losses on long-term debt refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

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 and lease 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 3 – Lease Receivable, Note 10 – Pension Plans, and Note 11 – 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, 2023

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

F. Fair Value Measurement

U.S. GAAP 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. Leases

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

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

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

I. Leases (Continued)

Lessee (Continued)

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

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

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

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

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

J. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets, and the right to use leased equipment and buildings, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost (except for intangible right-to-use lease assets) or estimated historical cost if purchased or constructed. 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
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.

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. Capital assets acquired under capital leases are capitalized at the net present value of the total lease payments.

Capital Assets Acquired Under Finance Purchase Agreements

The long-term principal portion of debt on capital assets acquired through finance purchase agreements 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.

K. 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 10). 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

K. Pensions (Continued)

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period:	July 1, 2021 to June 30, 2022

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.

L. 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 11). 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, 2023
Measurement Date	June 30, 2023
Measurement Period:	July 1, 2022 to June 30, 2023

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.

M. 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, 2023. 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 termination or retirement.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

N. 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.

O. Long-Term Debt

Government-Wide Financial Statements

In the government-wide financial statements and the proprietary fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs except for insurance, are expenses in the period incurred. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

Fund Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term debt obligations are reported as liabilities in the appropriate activities.

P. 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Q. 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.

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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

R. 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

S. 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.

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.

T. Use of Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

U. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023

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, 2023. 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. 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. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

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. Implementation of this statement did not have a significant effect on the City's financial statements for the fiscal year ended 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. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Upcoming Government Accounting Standards Implementations

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. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2024.

GASB Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2025.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City’s fiscal year ending June 30, 2025. Earlier application is encouraged.

Note 2 – Cash and Investments

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

	Primary Government			Fiduciary Funds	Total
	Governmental Activities	Business-type Activities	Total		
Cash and investments	\$ 45,948,540	\$ 36,052,699	\$ 82,001,239	\$ 4,038,408	\$ 86,039,647
Cash and investments with fiscal agent	1,275,758	36,859,054	38,134,812	1,263,586	39,398,398
Total	\$ 47,224,298	\$ 72,911,753	\$ 120,136,051	\$ 5,301,994	\$ 125,438,045

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

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

Cash and cash equivalents:	
Petty cash	\$ 6,350
Demand deposits	12,229,617
Investments:	
Local Agency Investment Fund	73,803,680
Money market funds	39,398,398
Total	<u><u>\$ 125,438,045</u></u>

At June 30, 2023, 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, 2023:

Investments measured by fair value level:	June 30, 2023	Level 1	Level 2	Level 3
Held by bond trustee:				
Money market mutual funds	\$ 39,398,398	\$ -	\$ 39,398,398	\$ -
Total investments by fair value level	<u><u>\$ 39,398,398</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,398,398</u></u>	<u><u>\$ -</u></u>
Investments not subject to the fair value hierarchy:				
Local Agency Investment Fund - State of CA	\$ 73,803,680			
Total investments not subject to the fair value hierarchy	<u><u>\$ 73,803,680</u></u>			
Total investments	<u><u>\$ 113,202,078</u></u>			

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$12,229,617 at June 30, 2023. Bank balances were \$13,307,984 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

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

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, 2023 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, 2023, the City had \$73,803,680 invested in LAIF, which had invested 1.46% 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, 2023, 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, 2023.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

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.

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, 2023:

	Amount	Maturities 1 year or less
Investments:		
Local Agency Investment Fund	\$ 73,803,680	\$ 73,803,680
Money market funds	39,398,398	39,398,398
Total	\$ 113,202,078	\$ 113,202,078

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	\$ 73,803,680	Not Rated	Not Rated
Money market funds	39,398,398	Not Rated	Not Rated
Total	\$ 113,202,078		

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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Disclosures Relating to Custodial Credit Risk (Continued)

At June 30, 2023, 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 Mellon, UBS, and US Bank). 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, 2023	Percentage of Investments
Investments:		
Local Agency Investment Fund	\$ 73,803,680	65.20%
Money market funds	39,398,398	34.80%
Total	\$ 113,202,078	

Note 3 – Lease Receivable

A. Governmental Activities

The portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 10 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2023, the City recognized \$160,872 in lease revenue and \$4,201 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 Is as follows:

	July 1, 2022	Additions	Deletions	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Leases receivable	\$ 521,451	\$ -	\$ (156,846)	\$ 364,605	\$ 131,021	\$ 233,584
Total	\$ 521,451	\$ -	\$ (156,846)	\$ 364,605	\$ 131,021	\$ 233,584

As of June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 131,021	\$ 3,304	\$ 134,325
2025	61,915	2,537	64,452
2026	30,259	2,093	32,352
2027	31,639	1,683	33,322
2028	33,067	1,255	34,322
2029-2031	76,704	1,159	77,863
Total	\$ 364,605	\$ 12,031	\$ 376,636

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Lease Receivable (Continued)

A. Governmental Activities (Continued)

As of June 30, 2023, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

<u>Year Ending June 30,</u>	<u>Amortization Schedule</u>
2024	\$ 132,137
2025	63,288
2026	30,556
2027	30,556
2028	30,556
2029-2031	66,204
Total	\$ 353,297

Note 4 – 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, 2023, notes and loans receivable consisted of the following:

	Notes/Loans Receivable			Notes/Loans Receivable		Allowance for Doubtful Accounts	Financial Statement
	Balance			Balance		Balance	Balance
	7/1/2022	Additions	Deletions	6/30/2023	6/30/2023	6/30/2023	
City:							
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 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	10,323,897	-	(291,449)	10,032,448	(10,032,448)	-	
City notes and loans receivable total	26,876,470	-	(291,449)	26,585,021	(26,585,021)	-	
Successor Agency:							
Other loans	320,757	-	-	320,757	(320,757)	-	
Successor Agency notes and loans receivable total	320,757	-	-	320,757	(320,757)	-	
Total notes and loans receivable	\$ 27,197,227	\$ -	\$ (291,449)	\$ 26,905,778	\$ (26,905,778)	\$ -	

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, 2023, the outstanding balance was \$306,377.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Notes and Loans Receivable and Allowance for Doubtful Accounts (Continued)

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, 2023, 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, 2023, the outstanding balance of the note was \$5,000,000.

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, 2023, 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, 2023, the outstanding balance of the note was \$200,000.

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, 2023, 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, 2023, 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, 2023, the outstanding balance of the note was \$5,100,000. .

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Notes and Loans Receivable and Allowance for Doubtful Accounts (Continued)

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, 2023, the outstanding balance of the City and Successor Agency loans were \$10,032,448 and \$320,757, respectively

Note 5 – Interfund Transactions

A. Due To and Due From Other Funds

Due from and to other funds as of June 30, 2023, for short-term borrowing pending subsequent grant, tax, or fee reimbursement, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Liability Internal Service Fund	Prop 172 Public Safety Sales Tax Special Revenue Fund	\$ 564,758	Overdrawn Cash (A)
	Subtotal	<u>564,758</u>	
Workers' Compensation Internal Service Fund	Prop 172 Public Safety Sales Tax Special Revenue Fund	14,248	Overdrawn Cash (A)
Workers' Compensation Internal Service Fund	State COPS Grant Special Revenue Fund	188,739	Overdrawn Cash (A)
Workers' Compensation Internal Service Fund	Operation Stonegarden Special Revenue Fund	13,282	Overdrawn Cash (A)
Workers' Compensation Internal Service Fund	HIDTA Special Revenue Fund	4,307	Overdrawn Cash (A)
Workers' Compensation Internal Service Fund	Capital Grants Capital Projects Fund	907,442	Overdrawn Cash (A)
Workers' Compensation Internal Service Fund	New River Grants Capital Projects Fund	798,551	Overdrawn Cash (A)
Workers' Compensation Internal Service Fund	DIF - Fire Capital Projects Fund	63,430	Overdrawn Cash (B)
	Subtotal	<u>1,989,999</u>	
Workers' Compensation Internal Service Fund	Airport Capital Fund	10,001	Overdrawn Cash (A)
	Subtotal	<u>10,001</u>	
	Total	<u><u>\$ 2,564,758</u></u>	

(A) Reimbursement is pending grants/intergovernmental receivable.

(B) Reimbursement is pending receipt of developer fees.

B. Transfers In/Out

Transfers in and out for the year ended June 30, 2023, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Capital Projects Fund	General Fund	\$ 527,000	Capital projects
Measure H Debt Service Fund	General Fund	995,250	Debt Service
	Subtotal	<u>1,522,250</u>	
General Liability Internal Service Fund	Water Enterprise Fund	1,043,760	Operations
General Liability Internal Service Fund	Workers' Compensation Internal Service Fund	20,000	Operations
General Liability Internal Service Fund	Unemployment Insurance Internal Service Fund	30,000	Operations
	Subtotal	<u>1,093,760</u>	
Local Housing Programs Special Revenue Fund	Successor Housing Special Revenue Fund	87,000	Operations
Measure H Debt Service Fund	Measure H Capital Projects Fund	78	Debt Service
Employees Benefits Internal Service Fund	Medical Retirees Internal Service Fund	300,000	Operations
	Total	<u><u>\$ 3,003,088</u></u>	

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Capital Assets

A. Governmental Activities

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

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Non-depreciable Assets:					
Land	\$ 5,511,772	\$ -	\$ -	\$ -	\$ 5,511,772
Construction in progress	10,316,118	3,337,338	-	(8,404,307)	5,249,149
Total non-depreciable assets	15,827,890	3,337,338	-	(8,404,307)	10,760,921
Depreciable Assets:					
Building and improvements	21,984,374	27,484	-	8,404,307	30,416,165
Machinery and equipment	12,693,153	536,211	-	-	13,229,364
Infrastructure	136,632,092	52,443	-	-	136,684,535
Total depreciable assets, at cost	171,309,619	616,138	-	8,404,307	180,330,064
Less accumulated depreciation:					
Building and improvements	(12,519,268)	(694,888)	-	-	(13,214,156)
Machinery and equipment	(9,871,612)	(648,892)	-	-	(10,520,504)
Infrastructure	(84,803,293)	(3,212,272)	-	-	(88,015,565)
Total accumulated depreciation	(107,194,173)	(4,556,052)	-	-	(111,750,225)
Total depreciable assets, net	64,115,446	(3,939,914)	-	8,404,307	68,579,839
Total governmental activities	\$ 79,943,336	\$ (602,576)	\$ -	\$ -	\$ 79,340,760

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2023 are as follows:

General government	\$ 212,570
Public safety	697,508
Public works	3,474,813
Community services	168,358
Planning and building	2,703
Housing	100
Total depreciation expense	<u>\$ 4,556,052</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

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

	Balance July 1, 2022	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2023
Non-depreciable Assets:					
Land	\$ 281,615	\$ -	\$ -	\$ -	\$ 281,615
Construction in progress	9,159,708	1,450,435	-	-	10,610,143
Total non-depreciable assets	9,441,323	1,450,435	-	-	10,891,758
Depreciable Assets:					
Building and improvements	37,017,197	-	-	-	37,017,197
Machinery and equipment	20,592,482	11,862	-	-	20,604,344
Infrastructure	23,333,475	-	-	-	23,333,475
Total depreciable assets, at cost	80,943,154	11,862	-	-	80,955,016
Less accumulated depreciation:					
Building and improvements	(18,336,852)	(608,307)	-	-	(18,945,159)
Machinery and equipment	(11,388,902)	(1,110,272)	-	-	(12,499,174)
Infrastructure	(9,100,407)	(524,186)	-	-	(9,624,593)
Total accumulated depreciation	(38,826,161)	(2,242,765)	-	-	(41,068,926)
Total depreciable assets, net	42,116,993	(2,230,903)	-	-	39,886,090
Total business-type activities	\$ 51,558,316	\$ (780,468)	\$ -	\$ -	\$ 50,777,848

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2023 was as follows:

Water	\$ 1,505,893
Wastewater	477,325
Airport	259,547
Total depreciation expense	\$ 2,242,765

C. Fiduciary Funds

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
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	(676,690)	(45,877)	-	(722,567)
Total accumulated depreciation	(676,690)	(45,877)	-	(722,567)
Total depreciable assets, net	1,617,174	(45,877)	-	1,571,297
Total fiduciary funds	\$ 2,723,837	\$ (45,877)	\$ -	\$ 2,677,960

Depreciation expense for capital assets of the fiduciary funds for the year ended June 30, 2023 was \$45,877.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Debt Issued	Debt Retired	Balance June 30, 2023	Classification	
					Due in One Year	Due in more than One Year
Governmental Activities:						
Publicly Offered:						
Measure H Lease Revenue Bonds	\$ 6,460,000	\$ -	\$ (685,000)	\$ 5,775,000	\$ 715,000	\$ 5,060,000
Bond premium	424,639	-	(60,663)	363,976	-	363,976
Privately Offered:						
Finance purchase agreement	993,147	-	(235,874)	757,273	237,014	520,259
Total governmental activities	<u>\$ 7,877,786</u>	<u>\$ -</u>	<u>\$ (981,537)</u>	<u>\$ 6,896,249</u>	<u>\$ 952,014</u>	<u>\$ 5,944,235</u>

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, 2023, the outstanding balance of the bonds was \$5,775,000. Total principal and interest remaining on the bond is \$6,978,100, payable through 2030.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 715,000	\$ 281,600	\$ 996,600
2025	745,000	253,000	998,000
2026	780,000	215,750	995,750
2027	820,000	176,750	996,750
2028	860,000	135,750	995,750
2029-2030	1,855,000	140,250	1,995,250
Total	<u>\$ 5,775,000</u>	<u>\$ 1,203,100</u>	<u>\$ 6,978,100</u>

Finance Purchase Agreements

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

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Finance Purchase Agreements (Continued)

The annual debt service requirements for the capital leases payable outstanding at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 237,014	\$ 14,815	\$ 251,829
2025	201,673	10,864	212,537
2026	103,492	8,251	111,743
2027	106,172	5,571	111,743
2028	108,922	2,821	111,743
Total	<u>\$ 757,273</u>	<u>\$ 42,322</u>	<u>\$ 799,595</u>

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

Machinery and equipment	\$ 1,226,784
Less: accumulated depreciation	(580,443)
Total	<u>\$ 646,341</u>

B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Debt Issued	Debt Retired	Balance June 30, 2023	Classification	
					Due in One Year	Due in more than One Year
Business-Type Activities:						
Publicly Offered:						
Water Revenue Bonds, Series 2020A	\$ 15,535,000	\$ -	\$ (305,000)	\$ 15,230,000	\$ 315,000	\$ 14,915,000
Bond premium	1,337,379	-	(47,764)	1,289,615	-	1,289,615
Wastewater Revenue Bonds, Series 2020A	21,725,000	-	(425,000)	21,300,000	445,000	20,855,000
Bond premium	1,868,010	-	(66,715)	1,801,295	-	1,801,295
Privately Offered:						
Finance purchase agreement	202,093	-	(106,065)	96,028	22,264	73,764
Total business-type activities	<u>\$ 40,667,482</u>	<u>\$ -</u>	<u>\$ (950,544)</u>	<u>\$ 39,716,938</u>	<u>\$ 782,264</u>	<u>\$ 38,934,674</u>

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 were 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 were 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, 2023

Note 7 – 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 annual debt service requirements for the bonds are as follows:

Water Revenue Bonds, Series 2020A			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 315,000	\$ 503,750	\$ 818,750
2025	330,000	490,850	820,850
2026	345,000	477,350	822,350
2027	360,000	463,250	823,250
2028	375,000	448,550	823,550
2029-2033	2,105,000	2,001,150	4,106,150
2034-2038	2,565,000	1,545,850	4,110,850
2039-2043	3,000,000	1,105,650	4,105,650
2044-2048	3,480,000	620,550	4,100,550
2049-2051	2,355,000	107,475	2,462,475
Total	\$ 15,230,000	\$ 7,764,425	\$ 22,994,425

Wastewater Revenue Bonds, Series 2020A			
Year Ending June 30,	Principal	Interest	Total
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	500,000	647,800	1,147,800
2028	520,000	627,400	1,147,400
2029-2033	2,945,000	2,799,500	5,744,500
2034-2038	3,580,000	2,163,600	5,743,600
2039-2043	4,200,000	1,548,000	5,748,000
2044-2048	4,875,000	868,875	5,743,875
2049-2051	3,295,000	150,225	3,445,225
Total	\$ 21,300,000	\$ 10,863,300	\$ 32,163,300

Finance Purchase Agreements

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

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Finance Purchase Agreements (Continued)

The annual debt service requirements for the finance purchase agreements outstanding at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 22,264	\$ 3,225	\$ 25,489
2025	23,907	1,581	25,488
2026	49,857	139	49,996
Total	<u>\$ 96,028</u>	<u>\$ 4,945</u>	<u>\$ 100,973</u>

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

Machinery and equipment	\$ 173,422
Less: accumulated depreciation	(86,711)
Total	<u>\$ 86,711</u>

C. Fiduciary Funds

Summary of changes in long-term liabilities for the fiduciary funds for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Debt Issued	Debt Retired	Balance June 30, 2023	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)	\$ -	\$ -	\$ -	
Bond discount	(92,012)	-	92,012	-	-	-	
2014 Tax Allocation Refunding Bonds	6,715,000	-	(1,425,000)	5,290,000	1,495,000	3,795,000	
Bond premium	839,573	-	(119,941)	719,632	-	719,632	
2020 Tax Allocation Refunding Bonds	10,745,000	-	(210,000)	10,535,000	215,000	10,320,000	
Total Tax Allocation Bonds	<u>\$ 20,017,561</u>	<u>\$ -</u>	<u>\$ (3,472,929)</u>	<u>\$ 16,544,632</u>	<u>\$ 1,710,000</u>	<u>\$ 14,834,632</u>	

2011 Tax Allocation Bonds – School District

On May 19, 2011, the Calexico Community Redevelopment Agency (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”):

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2011 Tax Allocation Bonds – School District (Continued)

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. However, the State Department of Finance did not approve the Agency’s Required Obligation Payment Schedule (ROPS) request to authorize disbursement of the net bond proceeds to CUSD and the net proceeds were not used for Facilities construction. On October 22, 2022, the Agency and CUSD entered into a settlement agreement calling for the bonds to be retired. On February 1, 2023, the 2011 CUSD TABs were redeemed and retired in full.

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, 2023, the outstanding balance of the bonds was \$5,290,000. Total principal and interest remaining on the bond is \$5,896,750 payable through 2029.

The annual debt service requirements for the 2014 Tax Allocation Refunding Bonds at June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	540,000	71,750	611,750
2028	565,000	44,125	609,125
2029	600,000	15,000	615,000
Total	\$ 5,290,000	\$ 606,750	\$ 5,896,750

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

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 annual debt service requirements for the 2020 Tax Allocation Refunding Bonds at June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 215,000	\$ 302,298	\$ 517,298
2025	220,000	297,384	517,384
2026	1,420,000	277,210	1,697,210
2027	1,480,000	239,964	1,719,964
2028	1,525,000	198,836	1,723,836
2029-2033	5,400,000	347,099	5,747,099
2034	275,000	4,527	279,527
Total	\$ 10,535,000	\$ 1,667,318	\$ 12,202,318

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 \$7,796,838 in fiscal year 2023. Total debt service of all Tax Allocation Bonds paid was \$2,365,557, 30% of the RPTTF revenue available for distribution to the Successor Agency.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

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, 2023 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, 2023, the scheduled principal payments due September 1, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 have not been paid. The bond reserve account held by the trustee was \$7,933, 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.

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 \$6,245,000 at June 30, 2023 were held by the District.

Note 8 – 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 \$1,698,987 at June 30, 2023.

	Balance			Classification	
	July 1, 2022	Additions	Deletions	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 1,711,673	\$ -	\$ (12,686)	\$ 207,818	\$ 1,491,169

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Compensated Absences (Continued)

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 \$401,965 at June 30, 2023.

	Balance			Classification		
	July 1, 2022	Additions	Deletions	Due Within One Year	Due in More Than One Year	
Compensated absences	\$ 341,276	\$ 60,689	\$ -	\$ 401,965	\$ 21,819	\$ 380,146

Note 9 – 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
2020-2021	\$ 1,939,000	\$ 565,046	\$ (432,046)	\$ 2,072,000
2021-2022	2,072,000	869,805	(585,805)	2,356,000
2022-2023	2,356,000	731,949	(708,949)	2,379,000

General Liability

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020-2021	\$ 757,568	\$ 830,828	\$ (29,332)	\$ 1,559,064
2021-2022	1,559,064	(536,071)	(5,193)	1,017,800
2022-2023	1,017,800	795,592	38,368	1,851,760

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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Risk Management (Continued)

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

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.

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, 2023, is as follows:

Total assets	\$1,184,851,570
Total deferred outflows	\$ 4,727,766
Total liabilities	\$ 921,522,389
Total deferred inflows	\$ 4,229,528
Total equities	\$ 263,827,419
Total revenues	\$1,610,800,387
Total expenses	\$1,491,011,440
Revenues over expenses	\$ 119,788,947

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 1,046,787	\$ 642,849	\$ 1,689,636
CalPERS Safety	2,089,521	-	2,089,521
Total pension contribution made after measurement date	<u>3,136,308</u>	<u>642,849</u>	<u>3,779,157</u>
Change in assumption:			
CalPERS Miscellaneous	1,049,718	644,648	1,694,366
CalPERS Safety	1,909,830	-	1,909,830
Total change in assumption	<u>2,959,548</u>	<u>644,648</u>	<u>3,604,196</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	1,876,441	1,152,350	3,028,791
CalPERS Safety	2,991,054	-	2,991,054
Total projected earnings on pension plan investments in excess of actual earnings	<u>4,867,495</u>	<u>1,152,350</u>	<u>6,019,845</u>
Adjustment due to difference in proportions:			
CalPERS Safety	1,013,012	-	1,013,012
Total adjustment due to difference in proportions	<u>1,013,012</u>	<u>-</u>	<u>1,013,012</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	67,938	41,722	109,660
CalPERS Safety	578,216	-	578,216
Total difference between expected and actual experience	<u>646,154</u>	<u>41,722</u>	<u>687,876</u>
Total deferred outflows of resources:			
CalPERS Miscellaneous	4,040,884	2,481,569	6,522,453
CalPERS Safety	8,581,633	-	8,581,633
Total deferred outflows of resources	<u>\$ 12,622,517</u>	<u>\$ 2,481,569</u>	<u>\$ 15,104,086</u>
Net Pension Liabilities:			
CalPERS Miscellaneous	\$ 10,244,060	\$ 6,291,039	\$ 16,535,099
CalPERS Safety	18,941,036	-	18,941,036
Total net pension liabilities	<u>\$ 29,185,096</u>	<u>\$ 6,291,039</u>	<u>\$ 35,476,135</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Pension Plans (Continued)

A. Summary (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources:			
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	\$ 18,047	\$ 11,081	\$ 29,128
CalPERS Safety	-	-	-
Total adjustment due to difference in proportions	<u>18,047</u>	<u>11,081</u>	<u>29,128</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	619,096	380,197	999,293
CalPERS Safety	1,374,311	-	1,374,311
Total employer contributions in excess of proportionate share of contribution	<u>1,993,407</u>	<u>380,197</u>	<u>2,373,604</u>
Total deferred inflows of resources:			
CalPERS Miscellaneous	637,143	391,278	1,028,421
CalPERS Safety	1,374,311	-	1,374,311
Total deferred inflows of resources	<u>\$ 2,011,454</u>	<u>\$ 391,278</u>	<u>\$ 2,402,732</u>
Pension Expense:			
CalPERS Miscellaneous	\$ 443,348	\$ 271,729	\$ 715,077
CalPERS Safety	445,116	-	445,116
Total net pension expense	<u>\$ 888,464</u>	<u>\$ 271,729</u>	<u>\$ 1,160,193</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.

Employees Covered by Benefit Terms

At June 30, 2022, the measurement date, the following employees were covered by the benefit terms:

	<u>Miscellaneous</u>	<u>Miscellaneous</u>		<u>Safety</u>	
	<u>Miscellaneous</u>	<u>PEPRA</u>	<u>Safety</u>	<u>PEPRA Police</u>	<u>Safety PEPRA Fire</u>
Active employees	57	47	33	10	7
Transferred and terminated employees	101	21	80	10	1
Retired employees and beneficiaries	132	-	90	-	-
Total	<u>290</u>	<u>68</u>	<u>203</u>	<u>20</u>	<u>8</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Pension Plans (Continued)

B. General Information about Pension Plans (Continued)

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	Miscellaneous PEPRA	Safety	Safety PEPRA Police	Safety 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 employer contribution rate	7.959%	7.114%	18.152%	13.044%	13.044%

Contributions

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each plan were as follows:

Miscellaneous	\$ 715,077
Safety	445,116
	\$ 1,160,193

Change in Assumptions

The discount rate lowered from 7.15% in 2022 to 6.90% in 2023. In the prior year, the actuarial report did not have any changes in assumptions.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – 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:

	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Miscellaneous			
Balance at: 6/30/21 (valuation date)	\$ 57,464,091	\$ 49,348,516	\$ 8,115,575
Balance at: 6/30/22 (measurement date)	60,184,125	43,649,026	16,535,099
Net changes during 2021-2022	2,720,034	(5,699,490)	8,419,524
Safety			
Balance at: 6/30/21 (valuation date)	\$ 59,791,046	\$ 49,540,092	\$ 10,250,954
Balance at: 6/30/22 (measurement date)	63,830,960	44,889,924	18,941,036
Net changes during 2021-2022	4,039,914	(4,650,168)	8,690,082
Total			
Balance at: 6/30/21 (valuation date)	\$ 117,255,137	\$ 98,888,608	\$ 18,366,529
Balance at: 6/30/22 (measurement date)	124,015,085	88,538,950	35,476,135
Net changes during 2021-2022	6,759,948	(10,349,658)	17,109,606

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2021	0.15006%	0.18954%	0.26351%
Proportion - June 30, 2022	0.14315%	0.16398%	0.30713%
Change - increase/(decrease)	-0.00691%	-0.02556%	0.04362%

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Pension Plans (Continued)

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

For the year ended June 30, 2023, the City recognized pension expense of \$715,077 and \$445,116, for the Miscellaneous and Safety plans, respectively. At June 30, 2023, 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	\$ 1,689,636	\$ -
Difference between projected and actual earning on pension plan investments	3,028,791	-
Adjustment due to differences in proportions	-	29,128
Changes in assumptions	1,694,366	-
Difference between actual and expected experience	109,660	-
Difference between employer's actual contributions and proportionate share of contributions	-	999,293
Total	<u>\$ 6,522,453</u>	<u>\$ 1,028,421</u>
Safety Plans		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,089,521	\$ -
Difference between projected and actual earning on pension plan investments	2,991,054	-
Adjustment due to differences in proportions	1,013,012	-
Changes in assumptions	1,909,830	-
Difference between actual and expected experience	578,216	-
Difference between employer's actual contributions and proportionate share of contributions	-	1,374,311
Total	<u>\$ 8,581,633</u>	<u>\$ 1,374,311</u>
Total		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 3,779,157	\$ -
Difference between projected and actual earning on pension plan investments	6,019,845	-
Adjustment due to differences in proportions	1,013,012	29,128
Changes in assumptions	3,604,196	-
Difference between actual and expected experience	687,876	-
Difference between employer's actual contributions and proportionate share of contributions	-	2,373,604
Total	<u>\$ 15,104,086</u>	<u>\$ 2,402,732</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – 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, \$1,689,636 and \$2,089,521, 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 measurement period ended June 30, 2023. 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
2024	\$ 782,203	\$ 1,450,541	\$ 2,232,744
2025	735,449	1,179,496	1,914,945
2026	434,232	663,183	1,097,415
2027	1,852,512	1,824,581	3,677,093
2028	-	-	-
Thereafter	-	-	-
	<u>\$ 3,804,396</u>	<u>\$ 5,117,801</u>	<u>\$ 8,922,197</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.00%
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 MP-2020.
Post retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2022 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – 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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%

The discount rate used to measure the total pension liability was 6.90% 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 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – 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%
	(5.90%)	Rate (6.90%)	(7.90%)
Miscellaneous	\$ 24,739,280	\$ 16,535,099	\$ 9,785,093
Safety	\$ 27,755,992	\$ 18,941,036	\$ 11,736,801
Total	\$ 52,495,272	\$ 35,476,135	\$ 21,521,894

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, 2023, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2023.

Note 11 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
NetOPEB liability:			
Net OPEB liability	\$ 17,435,294	\$ 6,174,001	\$ 23,609,295
Net OPEB liability	\$ 17,435,294	\$ 6,174,001	\$ 23,609,295
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 2,469,091	\$ 874,201	\$ 3,343,292
Changes in assumptions	3,736,441	1,322,918	5,059,359
Net difference between projected and actual earnings in OPEB plan investments	665	236	901
Total deferred inflows of resources	\$ 6,206,197	\$ 2,197,355	\$ 8,403,552

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Other Postemployment Benefits (Continued)

B. General Information about OPEB

Plan Description

As of June 30, 2023, the date of its most recent OPEB actuarial valuation, the City provided health benefits to 40 retirees. In addition, 78 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, 2022, the date of the latest actuarial valuation:

Retirees	40
Active plan members	78
Total	118

Contributions

The obligation of the City to contribute to the Plan is established and may be amended by the City Council. For the 2022-23 fiscal year, measurement period, Payments made outside of the trust were \$1,141,249. Employees are currently not required to contribute to the plan. The City’s funding policy is to amortize the unfunded net OPEB liability over a 30 year period as a level percentage of payroll.

In fiscal year 2023, the City elected to begin prefunding its OPEB obligation through the use of an irrevocable trust established with the California Employers’ Retiree Benefit Trust Fund (CERBT). This trust fund is an agent multiple-employer plan which is administered by the CalPERS Board of Administration. The trust is used to accumulate and invest funds necessary to pay for future retiree benefits and to reduce the City’s future cash flow requirements. At June 30, 2023, measurement date, the balance in this trust account was \$713,314.

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund retirement health benefits. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the City, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

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

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2023. The net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The net OPEB liability at June 30, 2023 was \$23,609,295.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Other Postemployment Benefits (Continued)

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

Actuarial Assumptions

The net OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	2.75%
Salary Increases	Varies by Entry Age and Service
Contribution Policy	Contributes full ADC
Discount Rate	4.27%
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare - 5.65% or 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 through June 30, 2023. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Change in Assumption

The City's discount rate used to measure the net OPEB liability increased from 4.09% to 4.27% for the measurement period ended June 30, 2022. The final equivalent single discount rate used for this year's valuation is 4.27% with the assumption that the District will eventually pay the pay-go costs out of the OPEB trust when the Trust is expected to be able to pay all future projected benefit payments.

Discount Rate

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	49.00%	N/A
Fixed Income	23.00%	N/A
TIPS	5.00%	N/A
Commodities	3.00%	N/A
REITs	20.00%	N/A
	100.00%	
Long-term assumed rate of inflation		2.50%
Long-term expected rate of return		5.00%

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Other Postemployment Benefits (Continued)

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

Change in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2022	\$ 23,973,201	\$ -	\$ 23,973,201
Changes Recognized for the Measurement Period:			
Service Cost	464,532	-	464,532
Interest on the total OPEB liability	976,399	-	976,399
Difference between expected and actual experience	537,612	-	537,612
Changes of assumptions	(487,886)	-	(487,886)
Contributions from the employer	-	1,853,249	(1,853,249)
Net investment income	-	1,316	(1,316)
Administrative expenses	-	(2)	2
Benefit payments	(1,141,249)	(1,141,249)	-
Net Changes during July 1, 2022 to June 30, 2023	<u>349,408</u>	<u>713,314</u>	<u>(363,906)</u>
Balance at June 30, 2023 (measurement date)	<u>\$ 24,322,609</u>	<u>\$ 713,314</u>	<u>\$ 23,609,295</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.27%) or 1-percentage-point higher (5.27%) than the current discount rate:

Plan's Net OPEB Liability		
<u>Discount Rate - 1%</u> <u>(3.27%)</u>	<u>Current Discount</u> <u>Rate (4.27%)</u>	<u>Discount Rate + 1%</u> <u>(5.27%)</u>
<u>\$ 26,510,549</u>	<u>\$ 23,609,295</u>	<u>\$ 21,139,119</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net 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 Net OPEB Liability		
<u>Healthcare Cost</u>		
<u>-1%</u>	<u>Trend Rates</u>	<u>+ 1%</u>
<u>\$ 20,582,073</u>	<u>\$ 23,609,295</u>	<u>\$ 27,256,124</u>

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Other Postemployment Benefits (Continued)

C. Net 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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$474,871. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred outflows of resources and deferred inflows of resources</u>	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,343,292
Changes of assumptions	-	5,059,359
Net difference between projected and actual earnings in OPEB plan investments	-	901
Total	<u>\$ -</u>	<u>\$ 8,403,552</u>

As of June 30, 2023, 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, 2022, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

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 Ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2024	\$ (1,757,856)
2025	(1,757,856)
2026	(1,757,859)
2027	(795,559)
2028	(2,341,524)
Thereafter	7,102
	<u>\$ (8,403,552)</u>

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 9 – Risk Management.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Commitments and Contingencies (Continued)

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, 2023 with an estimated cost to complete of \$89,119,338 planned for in all fund types.

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 outstanding District bonds.

During the year ended June 30, 2023, the City paid \$225,402 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.

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

The City 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.

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

At June 30, 2023, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$21,842,491.

At June 30, 2023, the following funds had a fund balances (deficit) or net position (deficit), which will be eliminated through the collection of grants revenues, future RPTTF tax allocations, and future development fees:

Fund	Fund Type	Deficit
DIF - Fire Fund	Special Revenue Fund	\$ 63,430
Successor Agency to the Calexico Community Redevelopment Agency	Private Purpose Trust Fund	10,712,247

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the following functions of the General Fund:

Fund	Function	Excess Expenditures
General Fund	Public safety: Fire	\$ 156,389

City of Calexico
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds* as of June 30, 2023 as follows:

	Major Funds				Total
	General Fund	LTA Measure D Special Revenue Fund	FEMA/ARPA Special Revenue Fund	Other Governmental Funds	
Non-spendable:					
Inventories and prepaid items	\$ 68,715	\$ -	\$ -	\$ -	\$ 68,715
Total non-spendable	68,715	-	-	-	68,715
Restricted:					
Debt service payments	-	-	-	998,170	998,170
Public works	-	-	-	6,469,732	6,469,732
Culture and recreation	-	-	-	81,928	81,928
Housing	-	-	-	6,938,376	6,938,376
Capital projects	-	12,484,975	6,912,447	7,163,657	26,561,079
Total restricted	-	12,484,975	6,912,447	21,651,863	41,049,285
Assigned:					
Measure H	228,569	-	-	-	228,569
Capital projects	-	-	-	1,192,429	1,192,429
Total assigned	228,569	-	-	1,192,429	1,420,998
Unassigned (deficit)	3,223,861	-	-	(63,430)	3,160,431
Total unassigned	3,223,861	-	-	(63,430)	3,160,431
Total fund balances	\$ 3,521,145	\$ 12,484,975	\$ 6,912,447	\$ 22,780,862	\$ 45,699,429

Note 17 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 10,760,921	\$ 10,891,758
Capital assets, depreciable, net	68,579,839	39,886,090
Unspent bond proceeds	-	36,859,054
Deferred loss on refunding	-	72,069
Long-term debt:		
Measure H Lease Revenue Bonds	(6,138,976)	-
Finance Purchase Agreement	(757,273)	(96,028)
Water Revenue Bonds	-	(16,519,615)
Wastewater Revenue Bonds	-	(23,101,295)
Total net investment in capital assets	\$ 72,444,511	\$ 47,992,033

**REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited).**

This page intentionally left blank.

City of Calexico
Required Supplementary Information (Unaudited)
Notes to the Budgetary Information
For the Year Ended June 30, 2023

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 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, 2023

	Budgeted Amounts				Actual Amounts	Variance with Final Budget
	General Fund	Measure H Fund	Original			
	Original	Original	Total	Final		
REVENUES:						
Property taxes	\$ 2,972,790	\$ -	\$ 2,972,790	\$ 3,112,590	\$ 3,125,032	\$ 12,442
Other taxes:						
Other taxes	6,343,760	-	6,343,760	6,308,560	6,442,911	134,351
Measure H sales tax	-	3,600,000	3,600,000	3,600,000	3,587,998	(12,002)
Total other taxes	6,343,760	3,600,000	9,943,760	9,908,560	10,030,909	122,349
Licenses, permits and fees	1,914,202	-	1,914,202	2,174,002	1,941,657	(232,345)
Intergovernmental	3,698,100	-	3,698,100	3,793,100	3,790,861	(2,239)
Charges for services	1,982,050	-	1,982,050	1,829,050	2,063,045	233,995
Fines and forfeitures	215,000	-	215,000	220,000	221,308	1,308
Investment income (loss)	519,913	-	519,913	524,913	564,981	40,068
Other revenues	-	-	-	-	20,527	20,527
Total revenues	17,645,815	3,600,000	21,245,815	21,562,215	21,758,320	196,105
EXPENDITURES:						
Current:						
General government	2,967,214	-	2,967,214	3,218,735	3,160,021	58,714
Public safety:						
Police	5,876,558	850,000	6,726,558	6,713,202	6,633,909	79,293
Fire	5,711,999	400,000	6,111,999	6,111,999	6,268,388	(156,389)
Total public safety	11,588,557	1,250,000	12,838,557	12,825,201	12,902,297	(77,096)
Public works	1,251,638	-	1,251,638	1,026,638	1,018,893	7,745
Culture and recreation	1,194,209	100,000	1,294,209	1,149,209	1,127,772	21,437
Planning and building	1,103,640	-	1,103,640	844,640	843,029	1,611
Housing	149,900	-	149,900	149,900	133,380	16,520
Contribution to CFD 2013-1	250,000	-	250,000	225,402	225,402	-
Debt service:						
Principal	235,874	-	235,874	235,874	235,874	-
Interest and fiscal charges	4,782	-	4,782	4,782	4,782	-
Total expenditures	18,745,814	1,350,000	20,095,814	19,680,381	19,651,450	28,931
REVENUES OVER						
(UNDER) EXPENDITURES	(1,099,999)	2,250,000	1,150,001	1,881,834	2,106,870	225,036
OTHER FINANCING SOURCES (USES):						
Transfers in	1,100,000	(1,100,000)	-	-	-	-
Transfers out	-	(998,000)	(998,000)	(1,525,000)	(1,522,250)	2,750
Total other financing sources (uses)	1,100,000	(2,098,000)	(998,000)	(1,525,000)	(1,522,250)	2,750
Net changes in fund balance	\$ 1	\$ 152,000	\$ 152,001	\$ 356,834	584,620	\$ 227,786
FUND BALANCE:						
Beginning of year					2,936,525	
End of year					<u>\$ 3,521,145</u>	

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – LTA Measure D Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,219,292	\$ 1,219,292	\$ 1,847,350	\$ 628,058
Investment income (loss)	-	-	216,173	216,173
Total revenues	1,219,292	1,219,292	2,063,523	844,231
EXPENDITURES:				
Current:				
Public works	150,000	150,000	150,000	-
Capital outlay	8,420,340	10,617,965	65,639	10,552,326
Total expenditures	8,570,340	10,767,965	215,639	10,552,326
Net changes in fund balance	\$ (7,351,048)	\$ (9,548,673)	1,847,884	\$ 11,396,557
FUND BALANCE:				
Beginning of year			10,637,091	
End of year			\$ 12,484,975	

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – FEMA/ARPA Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,296,487	\$ 8,296,487	\$ 4,763,493	\$ (3,532,994)
Total revenues	<u>8,296,487</u>	<u>8,296,487</u>	<u>4,763,493</u>	<u>(3,532,994)</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Culture and recreation	108,565	108,565	41,206	67,359
Planning and building	200,000	200,000	37,308	162,692
Capital outlay	8,118,922	8,118,922	980,048	7,138,874
Total expenditures	<u>8,427,487</u>	<u>8,427,487</u>	<u>1,058,562</u>	<u>7,368,925</u>
Net changes in fund balance	<u>\$ (131,000)</u>	<u>\$ (131,000)</u>	3,704,931	<u>\$ 3,835,931</u>
FUND BALANCE:				
Beginning of year			<u>3,207,516</u>	
End of year			<u>\$ 6,912,447</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, 2023

	Miscellaneous Plan					
Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Plan's proportion of the net pension liability	0.1431511%	0.1500581%	0.1282135%	0.1248795%	0.1205049%	0.1152051%
Plan's proportionate share of the net pension liability	\$ 16,535,099	\$ 8,115,575	\$ 13,950,179	\$ 12,796,448	\$ 11,612,169	\$ 11,772,982
Plan's covered-employee payroll	\$ 6,163,719	\$ 5,984,193	\$ 5,434,448	\$ 5,438,921	\$ 5,280,506	\$ 5,126,704
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	268.26%	135.62%	256.70%	235.28%	219.91%	229.64%
Plan's fiduciary net position	\$ 43,649,026	\$ 49,348,516	\$ 41,257,766	\$ 40,604,002	\$ 39,627,144	\$ 38,307,558
Plan's fiduciary net position as a percentage of the total pension liability	72.53%	85.88%	74.73%	76.04%	77.34%	76.49%
Plan's proportionate share of aggregate employer contributions	\$ 1,494,398	\$ 1,313,856	\$ 1,133,328	\$ 895,434	\$ 687,419	\$ 467,363

¹ The Miscellaneous Plans transitioned from an Agent plan to Cost-Sharing plan at Measurement Date (6/30/2016), therefore only years since transition are shown.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Last Ten Years
For the Year Ended June 30, 2023

	Safety Plan							
Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<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>
Plan's proportion of the net pension liability	0.163980%	0.189542%	0.149893%	0.145009%	0.146625%	0.144796%	0.144796%	0.151039%
Plan's proportionate share of the net pension liability	\$ 18,941,036	\$ 10,250,954	\$ 16,309,009	\$ 14,859,140	\$ 14,129,130	\$ 14,359,822	\$ 12,862,930	\$ 10,367,155
Plan's covered-employee payroll	\$ 4,885,896	\$ 4,743,588	\$ 3,298,148	\$ 4,302,084	\$ 4,176,782	\$ 4,055,128	\$ 3,937,017	\$ 4,423,592
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	387.67%	216.10%	494.49%	345.39%	338.28%	354.12%	326.72%	234.36%
Plan's fiduciary net position	\$ 44,889,924	\$ 49,540,092	\$ 41,647,330	\$ 40,888,911	\$ 39,609,126	\$ 37,100,280	\$ 34,521,294	\$ 36,372,416
Plan's fiduciary net position as a percentage of the total pension liability	70.33%	82.86%	71.86%	73.35%	73.71%	72.10%	72.85%	77.82%
Plan's proportionate share of aggregate employer contributions	\$ 1,860,024	\$ 1,750,135	\$ 1,517,998	\$ 1,249,931	\$ 1,523,035	\$ 1,466,631	\$ 1,385,061	\$ 1,275,182

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
Last Ten Years
For the Year Ended June 30, 2023

Miscellaneous Plan

Total Pension Liability	<u>6/30/2015¹</u>	<u>6/30/2014¹</u>
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	<u>1,049,407</u>	<u>2,232,824</u>
Total pension liability - beginning	42,585,621	40,352,797
Total pension liability - ending (a)	<u>\$ 43,635,028</u>	<u>\$ 42,585,621</u>
 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	<u>(122,875)</u>	<u>4,705,490</u>
Plan fiduciary net position - beginning	36,319,001	31,613,511
Plan fiduciary net position - ending (b)	<u>\$ 36,196,126</u>	<u>\$ 36,319,001</u>
 Net pension liability - ending (a)-(b)	<u>\$ 7,438,902</u>	<u>\$ 6,266,620</u>
 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:

¹ - 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 Plan Contributions - Pension
Last Ten Years
For the Year Ended June 30, 2023

Miscellaneous Plan					
Fiscal Year:	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually determined contribution (actuarially determined)	\$ 1,689,636	\$ 1,494,398	\$ 1,313,856	\$ 1,133,328	\$ 895,434
Contributions in relation to the actuarially determined contributions	(1,689,636)	(1,494,398)	(1,313,856)	(1,133,328)	(895,434)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,348,630	\$ 6,163,719	\$ 5,984,193	\$ 5,434,448	\$ 5,438,921
Contributions as a percentage of covered payroll	26.61%	21.96%	21.96%	20.85%	16.46%
Fiscal Year:	2017-18	2016-17	2015-16	2014-15	2013-14¹
Contractually determined contribution (actuarially determined)	\$ 687,419	\$ 467,363	\$ 438,015	\$ 389,770	\$ 344,145
Contributions in relation to the actuarially determined contributions	(687,419)	(467,363)	(438,015)	(389,770)	(344,145)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,280,506	\$ 5,126,704	\$ 4,977,383	\$ 5,315,723	\$ 5,851,522
Contributions as a percentage of covered payroll	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 2023 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

¹ Information only presented from the

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions – Pension (Continued)
Last Ten Years
For the Year Ended June 30, 2023

Safety Plan					
Fiscal Year:	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually determined contribution (actuarially determined)	\$ 2,089,521	\$ 1,860,024	\$ 1,750,135	\$ 1,517,998	\$ 1,249,931
Contributions in relation to the actuarially determined contributions	(2,089,521)	(1,860,024)	(1,750,135)	(1,517,998)	(1,249,931)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,032,473	\$ 4,885,896	\$ 4,743,588	\$ 3,298,148	\$ 4,302,084
Contributions as a percentage of covered payroll	41.52%	39.21%	36.89%	46.03%	29.05%
Fiscal Year:	2017-18	2016-17	2015-16	2014-15	2013-14¹
Contractually determined contribution (actuarially determined)	\$ 1,523,035	\$ 1,466,631	\$ 1,385,061	\$ 1,275,182	\$ 1,305,223
Contributions in relation to the actuarially determined contributions	(1,523,035)	(1,466,631)	(1,385,061)	(1,275,182)	(1,305,223)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,176,781	\$ 4,055,128	\$ 3,937,017	\$ 4,423,592	\$ 4,864,763
Contributions as a percentage of covered payroll	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 2023 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

¹ Information only presented from the

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, 2023

Measurement period, year ending:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018 ¹
Total OPEB liability						
Service cost	\$ 464,532	\$ 1,117,996	\$ 744,778	\$ 590,159	\$ 517,429	\$ 515,161
Interest	976,399	876,705	751,908	1,072,411	1,102,423	1,060,772
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	537,612	(10,079,367)	8,428,759	(9,512,833)	-	-
Changes of assumptions	(487,886)	(6,361,053)	2,394,594	2,776,757	1,696,768	(472,245)
Benefit payments, including refunds of member contributions	(1,141,249)	(985,181)	(871,030)	(852,037)	(832,731)	(781,907)
Net change in total OPEB liability	349,408	(15,430,900)	11,449,009	(5,925,543)	2,483,889	321,781
Total OPEB liability - beginning	23,973,201	39,404,101	27,955,092	33,880,635	31,396,746	31,074,965
Total OPEB liability - ending (a)	\$ 24,322,609	\$ 23,973,201	\$ 39,404,101	\$ 27,955,092	\$ 33,880,635	\$ 31,396,746
OPEB fiduciary net position						
Contributions - employer	\$ 1,853,249	\$ 985,181	\$ 871,030	\$ 852,037	\$ 832,731	\$ 781,907
Net investment income	1,316	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,141,249)	(985,181)	(871,030)	(852,037)	(832,731)	(781,907)
Administrative expense	(2)	-	-	-	-	-
Net change in plan fiduciary net position	713,314	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	713,314	-	-	-	-	-
Plan net OPEB liability - ending (a) - (b)	\$ 23,609,295	\$ 23,973,201	\$ 39,404,101	\$ 27,955,092	\$ 33,880,635	\$ 31,396,746
Plan fiduciary net position as a percentage of the total OPEB liability	2.93%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 5,532,323	\$ 5,756,155	\$ 6,400,439	\$ 6,229,138	\$ 6,062,421	\$ 5,900,167
Plan net OPEB liability as a percentage of covered-employee payroll	426.75%	416.48%	615.65%	308.14%	347.81%	532.13%

¹ Information only presented from the implementation year

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - OPEB
Last Ten Years
For the Year Ended June 30, 2023

Fiscal Year:	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 ¹
Contractually determined contribution (actuarially determined)	\$ 1,853,249	\$ 985,181	\$ 871,030	\$ 852,037	\$ 832,731	\$ 781,907
Contributions in relation to the actuarially determined contributions	(1,853,249)	(985,181)	(871,030)	(852,037)	(832,731)	(781,907)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,532,323	\$ 5,756,155	\$ 6,400,439	\$ 6,229,138	\$ 6,062,421	\$ 5,900,167
Contributions as a percentage of covered-employee payroll	33.50%	17.12%	13.61%	13.68%	13.74%	13.25%

¹ Information only presented from the implementation year of 2018

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 2023 are as follows:

Actuarial cost method	Entry Age Normal, Level % of pay
Amortization method/period	Level % of pay / 30-year fixed period for 2022/23
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount rate	5.50%
Inflation	2.50%
Salary increases	Varies by entry age and service
Medical trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

NON-MAJOR GOVERNMENTAL FUNDS

City of Calexico
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue					
	Library Grant	Community Donations	Art in Public Places	Cannabis Permits	Other Operating Grants	Gas Tax
ASSETS						
Cash and investments	\$ 10,732	\$ 74,509	\$ 179,357	\$ 47,628	\$ 30,516	\$ 486,595
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	135	-
Intergovernmental	-	-	-	-	-	86,172
Deposits	-	-	-	-	-	-
Total assets	\$ 10,732	\$ 74,509	\$ 179,357	\$ 47,628	\$ 30,651	\$ 572,767
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,313	\$ -	\$ -	\$ -	\$ 1,058	\$ 27,709
Accrued payroll	-	-	-	-	-	2,595
Due to other funds	-	-	-	-	-	-
Deposits payable	-	-	-	47,628	-	-
Unearned revenue	-	-	-	-	29,593	-
Total liabilities	3,313	-	-	47,628	30,651	30,304
Fund Balances:						
Restricted	7,419	74,509	179,357	-	-	542,463
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	7,419	74,509	179,357	-	-	542,463
Total liabilities and fund balances	\$ 10,732	\$ 74,509	\$ 179,357	\$ 47,628	\$ 30,651	\$ 572,767

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue					
	Road Maintenance Rehabilitation	LTF Article 3	TDA	Prop 172 Public Safety Sales Tax	State COPS Grant	Operation Stonegarden
ASSETS						
Cash and investments	\$ 2,926,166	\$ 340,697	\$ 142,612	\$ -	\$ -	\$ -
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	151,438	-	-	579,005	213,739	13,283
Deposits	-	-	-	-	-	-
Total assets	\$ 3,077,604	\$ 340,697	\$ 142,612	\$ 579,005	\$ 213,739	\$ 13,283
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 46,095	\$ -	\$ 1,046	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	579,005	188,739	13,283
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	46,095	-	1,046	579,005	188,739	13,283
Fund Balances:						
Restricted	3,031,509	340,697	141,566	-	25,000	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	3,031,509	340,697	141,566	-	25,000	-
Total liabilities and fund balances	\$ 3,077,604	\$ 340,697	\$ 142,612	\$ 579,005	\$ 213,739	\$ 13,283

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue					
	HIDTA	Asset Forfeiture	National Opioid Settlement	Bravo-Victoria Eastside Village Assessment	General Plan Update	Solid Waste
ASSETS						
Cash and investments	\$ -	\$ 7,328	\$ 34,921	\$ 1,415,477	\$ 8,596	\$ 991,865
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	4,307	-	-	5,713	-	-
Deposits	-	-	-	-	-	-
Total assets	\$ 4,307	\$ 7,328	\$ 34,921	\$ 1,421,190	\$ 8,596	\$ 991,865
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 38	\$ -	\$ 1,810	\$ -	\$ 179,719
Accrued payroll	-	-	-	-	-	-
Due to other funds	4,307	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	34,742	-	-	58,085
Total liabilities	4,307	38	34,742	1,810	-	237,804
Fund Balances:						
Restricted	-	7,290	179	1,419,380	8,596	754,061
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	-	7,290	179	1,419,380	8,596	754,061
Total liabilities and fund balances	\$ 4,307	\$ 7,328	\$ 34,921	\$ 1,421,190	\$ 8,596	\$ 991,865

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue					
	Business Improvement District	Federal HOME Grant Fund	Successor Housing	State CalHOME Grant	Federal CDBG Grant	Local Housing Programs
ASSETS						
Cash and investments	\$ 19,634	\$ 868,019	\$ 3,224,410	\$ 91,443	\$ 2,701,992	\$ 203,977
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	800	-	-	2,055	5,552
Intergovernmental	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total assets	\$ 19,634	\$ 868,819	\$ 3,224,410	\$ 91,443	\$ 2,704,047	\$ 209,529
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 34,844	\$ -	\$ -	\$ 125,028	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	34,844	-	-	125,028	-
Fund Balances:						
Restricted	19,634	833,975	3,224,410	91,443	2,579,019	209,529
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	19,634	833,975	3,224,410	91,443	2,579,019	209,529
Total liabilities and fund balances	\$ 19,634	\$ 868,819	\$ 3,224,410	\$ 91,443	\$ 2,704,047	\$ 209,529

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Debt Service		Capital Projects			
	Measure H Debt Service	Measure H Capital Projects	General Capital Projects	Capital Grants Capital Projects Fund	DIF - Libraries	DIF - Parks/ Recreation
ASSETS						
Cash and investments	\$ 116	\$ -	\$ 1,397,679	\$ -	\$ 199,519	\$ 590,327
Cash and investments with fiscal agents	998,054	-	277,704	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	771,506	-	-
Deposits	-	-	-	137,900	-	-
Total assets	\$ 998,170	\$ -	\$ 1,675,383	\$ 909,406	\$ 199,519	\$ 590,327
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,964	\$ 1,368	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	907,442	-	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	909,406	1,368	-
Fund Balances:						
Restricted	998,170	-	482,954	-	198,151	590,327
Assigned	-	-	1,192,429	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	998,170	-	1,675,383	-	198,151	590,327
Total liabilities and fund balances	\$ 998,170	\$ -	\$ 1,675,383	\$ 909,406	\$ 199,519	\$ 590,327

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Capital Projects					
	DIF - Parking	DIF - General Government	DIF - Traffic	DIF - Police	DIF - Fire	Cole Road Improvements
ASSETS						
Cash and investments	\$ 267,242	\$ 339,515	\$ 1,964,529	\$ 319,696	\$ -	\$ 1,588,242
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total assets	\$ 267,242	\$ 339,515	\$ 1,964,529	\$ 319,696	\$ -	\$ 1,588,242
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	63,430	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	63,430	-
Fund Balances:						
Restricted	267,242	339,515	1,964,529	319,696	-	1,588,242
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(63,430)	-
Total fund balances	267,242	339,515	1,964,529	319,696	(63,430)	1,588,242
Total liabilities and fund balances	\$ 267,242	\$ 339,515	\$ 1,964,529	\$ 319,696	\$ -	\$ 1,588,242

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Capital Projects			Total Non-Major Governmental Funds
	Northwest Area Development	East Area Facilities Plan	New River Grants	
ASSETS				
Cash and investments	\$ 468,570	\$ 944,431	\$ 53,310	\$ 21,939,650
Cash and investments with fiscal agents	-	-	-	1,275,758
Receivables:				
Accounts	-	-	-	8,542
Intergovernmental	-	-	1,018,644	2,843,807
Deposits	-	-	-	137,900
Total assets	\$ 468,570	\$ 944,431	\$ 1,071,954	\$ 26,205,657
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 273,403	\$ 697,395
Accrued payroll	-	-	-	2,595
Due to other funds	-	-	798,551	2,554,757
Deposits payable	-	-	-	47,628
Unearned revenue	-	-	-	122,420
Total liabilities	-	-	1,071,954	3,424,795
Fund Balances:				
Restricted	468,570	944,431	-	21,651,863
Assigned	-	-	-	1,192,429
Unassigned (deficit)	-	-	-	(63,430)
Total fund balances	468,570	944,431	-	22,780,862
Total liabilities and fund balances	\$ 468,570	\$ 944,431	\$ 1,071,954	\$ 26,205,657

(Concluded)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue					
	Library Grant	Community Donations	Art in Public Places	Cannabis Permits	Other Operating Grants	Gas Tax
REVENUES:						
Intergovernmental	\$ 62,889	\$ -	\$ -	\$ -	\$ 32,170	\$ 1,040,896
Charges for services	-	-	56,031	-	-	-
Investment income (loss)	-	-	935	-	-	1,183
Other revenues	-	9,118	-	-	-	-
Total revenues	62,889	9,118	56,966	-	32,170	1,042,079
EXPENDITURES:						
Current:						
General government	-	5,006	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	764,321
Culture and recreation	55,470	2,829	2,394	-	32,172	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	321	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	55,470	7,835	2,715	-	32,172	764,321
REVENUES OVER (UNDER) EXPENDITURES	7,419	1,283	54,251	-	(2)	277,758
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	7,419	1,283	54,251	-	(2)	277,758
FUND BALANCES (DEFICIT):						
Beginning of year	-	73,226	125,106	-	2	264,705
End of year	\$ 7,419	\$ 74,509	\$ 179,357	\$ -	\$ -	\$ 542,463

(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, 2023

	Special Revenue					
	Road Maintenance Rehabilitation	LTF Article 3	TDA	Prop 172 Public Safety Sales Tax	State COPS Grant	Operation Stonegarden
REVENUES:						
Intergovernmental	\$ 864,223	\$ -	\$ -	\$ 579,006	\$ 100,000	\$ 21,038
Charges for services	-	-	-	-	-	-
Investment income (loss)	14,972	1,712	773	-	-	-
Other revenues	-	5,816	-	-	-	-
Total revenues	879,195	7,528	773	579,006	100,000	21,038
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	314,006	75,000	21,038
Public works	431,736	-	20,026	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	56,760	-	9,275	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	488,496	-	29,301	314,006	75,000	21,038
REVENUES OVER (UNDER) EXPENDITURES	390,699	7,528	(28,528)	265,000	25,000	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	390,699	7,528	(28,528)	265,000	25,000	-
FUND BALANCES (DEFICIT):						
Beginning of year	2,640,810	333,169	170,094	(265,000)	-	-
End of year	<u>\$ 3,031,509</u>	<u>\$ 340,697</u>	<u>\$ 141,566</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</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, 2023

	Special Revenue					
	HIDTA	Asset Forfeiture	National Opioid Settlement	Bravo-Victoria Eastside Village Assessment	General Plan Update	
REVENUES:						
Intergovernmental	\$ 4,307	\$ 7,290	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	532,756	-	2,657,579
Investment income (loss)	-	-	179	7,281	44	2,309
Other revenues	-	-	-	-	-	-
Total revenues	4,307	7,290	179	540,037	44	2,659,888
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	4,307	-	-	-	-	-
Public works	-	-	-	46,811	-	2,381,926
Culture and recreation	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	-	14,784	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	4,307	-	-	61,595	-	2,381,926
REVENUES OVER (UNDER) EXPENDITURES	-	7,290	179	478,442	44	277,962
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	7,290	179	478,442	44	277,962
FUND BALANCES (DEFICIT):						
Beginning of year	-	-	-	940,938	8,552	476,099
End of year	\$ -	\$ 7,290	\$ 179	\$ 1,419,380	\$ 8,596	\$ 754,061

(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, 2023

	Special Revenue					
	Business Improvement District	Federal HOME Grant Fund	Successor Housing	State CalHOME Grant	Federal CDBG Grant	Local Housing Programs
REVENUES:						
Intergovernmental	\$ -	\$ 74,382	\$ -	\$ -	\$ 170,817	\$ -
Charges for services	-	-	-	-	-	4,000
Investment income (loss)	-	-	122,036	470	-	73,203
Other revenues	-	-	-	-	-	-
Total revenues	-	74,382	122,036	470	170,817	77,203
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	5,920	1,257	924	6,214	1,109
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	5,920	1,257	924	6,214	1,109
REVENUES OVER (UNDER) EXPENDITURES	-	68,462	120,779	(454)	164,603	76,094
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	87,000
Transfers out	-	-	(87,000)	-	-	-
Total other financing sources (uses)	-	-	(87,000)	-	-	87,000
Net change in fund balances	-	68,462	33,779	(454)	164,603	163,094
FUND BALANCES (DEFICIT):						
Beginning of year	19,634	765,513	3,190,631	91,897	2,414,416	46,435
End of year	\$ 19,634	\$ 833,975	\$ 3,224,410	\$ 91,443	\$ 2,579,019	\$ 209,529

(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, 2023

	Debt Service		Capital Projects			
	Measure H Debt Service	Measure H Capital Projects	General Capital Projects	Capital Grants		DIF - Parks/ Recreation
				Capital Projects Fund	DIF - Libraries	
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 950,917	\$ -	\$ -
Charges for services	-	-	-	-	83,655	171,070
Investment income (loss)	53	5	5,701	-	1,026	3,037
Other revenues	-	73	-	-	-	-
Total revenues	53	78	5,701	950,917	84,681	174,107
EXPENDITURES:						
Current:						
General government	1,251	-	-	1,012	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	250,000	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	956,880	949,905	22,161	-
Debt service:						
Principal	685,000	-	-	-	-	-
Interest and fiscal charges	309,000	-	-	-	-	-
Total expenditures	995,251	-	1,206,880	950,917	22,161	-
REVENUES OVER (UNDER) EXPENDITURES	(995,198)	78	(1,201,179)	-	62,520	174,107
OTHER FINANCING SOURCES (USES):						
Transfers in	995,328	-	527,000	-	-	-
Transfers out	-	(78)	-	-	-	-
Total other financing sources (uses)	995,328	(78)	527,000	-	-	-
Net change in fund balances	130	-	(674,179)	-	62,520	174,107
FUND BALANCES (DEFICIT):						
Beginning of year	998,040	-	2,349,562	-	135,631	416,220
End of year	\$ 998,170	\$ -	\$ 1,675,383	\$ -	\$ 198,151	\$ 590,327

(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, 2023

	Capital Projects					Cole Road Improvements
	DIF - Parking	DIF - General Government	DIF - Traffic	DIF - Police	DIF - Fire	
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	62,747	129,527	59,331	61,753	-
Investment income (loss)	1,374	1,746	10,104	1,644	(327)	8,169
Other revenues	-	-	-	-	-	-
Total revenues	1,374	64,493	139,631	60,975	61,426	8,169
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,374	64,493	139,631	60,975	61,426	8,169
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	1,374	64,493	139,631	60,975	61,426	8,169
FUND BALANCES (DEFICIT):						
Beginning of year	265,868	275,022	1,824,898	258,721	(124,856)	1,580,073
End of year	\$ 267,242	\$ 339,515	\$ 1,964,529	\$ 319,696	\$ (63,430)	\$ 1,588,242

(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, 2023

	Capital Projects			Total Non-Major Governmental Funds
	Northwest Area Development	East Area Facilities Plan	New River Grants	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 1,127,739	\$ 5,035,674
Charges for services	-	-	-	3,818,449
Investment income (loss)	2,411	4,858	-	264,898
Other revenues	-	-	-	15,007
Total revenues	2,411	4,858	1,127,739	9,134,028
EXPENDITURES:				
Current:				
General government	-	-	-	7,269
Public safety	-	-	-	414,351
Public works	-	-	-	3,894,820
Culture and recreation	-	-	-	92,865
Housing	-	-	-	15,424
Capital outlay	-	-	1,127,739	3,137,825
Debt service:				
Principal	-	-	-	685,000
Interest and fiscal charges	-	-	-	309,000
Total expenditures	-	-	1,127,739	8,556,554
REVENUES OVER (UNDER) EXPENDITURES	2,411	4,858	-	577,474
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	1,609,328
Transfers out	-	-	-	(87,078)
Total other financing sources (uses)	-	-	-	1,522,250
Net change in fund balances	2,411	4,858	-	2,099,724
FUND BALANCES (DEFICIT):				
Beginning of year	466,159	939,573	-	20,681,138
End of year	\$ 468,570	\$ 944,431	\$ -	\$ 22,780,862

(Concluded)

This page intentionally left blank.

INTERNAL SERVICE FUNDS

City of Calexico
Statement of Net Position
All Internal Service Funds
June 30, 2023

	Payroll	Employee Benefits	Medical Retirees	Workers' Compensation
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 634,453	\$ 548,035	\$ 527,265
Due from other funds	-	-	-	2,000,000
Deposits	-	-	-	125,000
Inventories and prepaid items	-	-	-	4,939
Total current assets	-	634,453	548,035	2,657,204
Total assets	-	634,453	548,035	2,657,204
LIABILITIES				
Current liabilities:				
Accounts payable	-	69,374	92,718	158,142
Claims payable - due within one year	-	-	-	768,000
Total current liabilities	-	69,374	92,718	926,142
Noncurrent liabilities:				
Claims payable - due in more than one year	-	-	-	1,611,000
Total noncurrent liabilities	-	-	-	1,611,000
Total liabilities	-	69,374	92,718	2,537,142
NET POSITION				
Unrestricted	-	565,079	455,317	120,062
Total net position	\$ -	\$ 565,079	\$ 455,317	\$ 120,062

(Continued)

City of Calexico
Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2023

	General Liability	Unemployment Insurance	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,416,138	\$ 7,314	\$ 3,133,205
Due from other funds	564,758	-	2,564,758
Deposits	50,000	-	175,000
Inventories and prepaid items	3,023	-	7,962
Total current assets	2,033,919	7,314	5,880,925
Total assets	2,033,919	7,314	5,880,925
LIABILITIES			
Current liabilities:			
Accounts payable	93,220	1,753	415,207
Claims payable - due within one year	1,459,760	-	2,227,760
Total current liabilities	1,552,980	1,753	2,642,967
Noncurrent liabilities:			
Claims payable - due in more than one year	392,000	-	2,003,000
Total noncurrent liabilities	392,000	-	2,003,000
Total liabilities	1,944,980	1,753	4,645,967
NET POSITION			
Unrestricted	88,939	5,561	1,234,958
Total net position	\$ 88,939	\$ 5,561	\$ 1,234,958

(Concluded)

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2023

	Payroll	Employee Benefits	Medical Retirees	Workers' Compensation
OPERATING REVENUES:				
Charges for services	\$ -	\$ 2,342,394	\$ 1,221,043	\$ 1,201,539
Other revenue	-	418,744	54,996	-
Total operating revenues	-	2,761,138	1,276,039	1,201,539
OPERATING EXPENSES:				
Salaries and benefits	-	-	712,000	-
Material, supplies, and operational expenses	-	34,705	8,402	110,260
Insurance	-	-	-	296,950
Claim payments	-	1,286,109	685,386	731,949
Claims administration	-	1,018,719	274,739	37,380
Total operating expenses	-	2,339,533	1,680,527	1,176,539
OPERATING INCOME (LOSS)	-	421,605	(404,488)	25,000
NONOPERATING REVENUES (EXPENSES):				
Investment income	-	7,348	4,938	13,073
Total nonoperating revenues (expenses)	-	7,348	4,938	13,073
INCOME (LOSS) BEFORE TRANSFERS	-	428,953	(399,550)	38,073
TRANSFERS:				
Transfers in	-	-	300,000	-
Transfers out	-	(300,000)	-	(20,000)
Total transfers	-	(300,000)	300,000	(20,000)
Changes in net position	-	128,953	(99,550)	18,073
NET POSITION:				
Beginning of year	-	436,126	554,867	101,989
End of year	\$ -	\$ 565,079	\$ 455,317	\$ 120,062

(Continued)

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2023

	General Liability	Unemployment Insurance	Total
OPERATING REVENUES:			
Charges for services	\$ 1,065,001	\$ 42,943	\$ 5,872,920
Other revenue	-	-	473,740
Total operating revenues	<u>1,065,001</u>	<u>42,943</u>	<u>6,346,660</u>
OPERATING EXPENSES:			
Salaries and benefits	-	-	712,000
Material, supplies, and operational expenses	89,484	-	242,851
Insurance	708,212	-	1,005,162
Claim payments	1,324,622	12,630	4,040,696
Claims administration	34,042	-	1,364,880
Total operating expenses	<u>2,156,360</u>	<u>12,630</u>	<u>7,365,589</u>
OPERATING INCOME (LOSS)	<u>(1,091,359)</u>	<u>30,313</u>	<u>(1,018,929)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	4,318	276	29,953
Total nonoperating revenues (expenses)	<u>4,318</u>	<u>276</u>	<u>29,953</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(1,087,041)</u>	<u>30,589</u>	<u>(988,976)</u>
TRANSFERS:			
Transfers in	1,093,760	-	1,393,760
Transfers out	-	(30,000)	(350,000)
Total transfers	<u>1,093,760</u>	<u>(30,000)</u>	<u>1,043,760</u>
Changes in net position	6,719	589	54,784
NET POSITION:			
Beginning of year	82,220	4,972	1,180,174
End of year	<u>\$ 88,939</u>	<u>\$ 5,561</u>	<u>\$ 1,234,958</u>

(Concluded)

City of Calexico
Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2023

	Payroll	Employee Benefits	Medical Retirees	Workers Compensation
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	\$ 1,587	\$ 2,763,732	\$ 1,276,039	\$ 1,201,539
Cash payments to suppliers for goods and services	(567)	(61,788)	(662,376)	(329,170)
Cash payments for claims	-	(2,304,828)	(960,125)	(746,473)
Net cash provided by (used in) operating activities	1,020	397,116	(346,462)	125,896
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	-	-	-	6,486
Cash payments to other funds	(1,020)	-	-	-
Transfers in	-	-	300,000	-
Transfers out	-	(300,000)	-	(20,000)
Net cash provided by (used in) noncapital financing activities	(1,020)	(300,000)	300,000	(13,514)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	-	7,348	4,938	13,073
Net cash provided by investing activities	-	7,348	4,938	13,073
Net increase (decrease) in cash and cash equivalents	-	104,464	(41,524)	125,455
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	529,989	589,559	401,810
End of year	\$ -	\$ 634,453	\$ 548,035	\$ 527,265

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2023

	General Liability	Unemployment Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 1,134,559	\$ 42,943	\$ 6,420,399
Cash payments to suppliers for goods and services	(1,292,169)	-	(2,346,070)
Cash payments for claims	(314,609)	(16,309)	(4,342,344)
Net cash provided by (used in) operating activities	<u>(472,219)</u>	<u>26,634</u>	<u>(268,015)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received from other funds	260,636	-	267,122
Cash payments to other funds	-	-	(1,020)
Transfers in	1,093,760	-	1,393,760
Transfers out	-	(30,000)	(350,000)
Net cash provided by (used in) noncapital financing activities	<u>1,354,396</u>	<u>(30,000)</u>	<u>1,309,862</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	4,318	276	29,953
Net cash provided by investing activities	<u>4,318</u>	<u>276</u>	<u>29,953</u>
Net increase (decrease) in cash and cash equivalents	886,495	(3,090)	1,071,800
CASH AND CASH EQUIVALENTS:			
Beginning of year	529,643	10,404	2,061,405
End of year	<u>\$ 1,416,138</u>	<u>\$ 7,314</u>	<u>\$ 3,133,205</u>

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2023

	Payroll	Employee Benefits	Medical Retirees	Workers Compensation
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED				
BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ -	\$ 421,605	\$ (404,488)	\$ 25,000
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable	1,587	2,594	-	-
Deposits	-	-	-	-
Inventories and prepaid items	-	-	-	(144)
Accounts payable	(567)	(27,083)	58,026	78,040
Accrued payroll	-	-	-	-
Deposits payable	-	-	-	-
Claims payable	-	-	-	23,000
Total adjustments	1,020	(24,489)	58,026	100,896
Net cash provided by (used in) operating activities	\$ 1,020	\$ 397,116	\$ (346,462)	\$ 125,896

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2023

	General Liability	Unemployment Insurance	Total
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH PROVIDED			
BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,091,359)	\$ 30,313	\$ (1,018,929)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	69,558	-	73,739
Deposits	-	-	-
Inventories and prepaid items	210,095	-	209,951
Accounts payable	(494,473)	(3,679)	(389,736)
Accrued payroll	-	-	-
Deposits payable	-	-	-
Claims payable	833,960	-	856,960
Total adjustments	619,140	(3,679)	750,914
Net cash provided by (used in) operating activities	\$ (472,219)	\$ 26,634	\$ (268,015)

(Concluded)

This page intentionally left blank.

CUSTODIAL FUNDS

This page intentionally left blank.

City of Calexico
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Corsair 2013-1 Gran Plaza CFD	Hearthstone 2005-1 CFD	Total
ASSETS			
Cash and investments	\$ 226,496	\$ 291,913	\$ 518,409
Cash and investments with fiscal agents	769,275	59,131	828,406
Receivables:			
Intergovernmental	-	55,146	55,146
Total assets	995,771	406,190	1,401,961
LIABILITIES			
Accounts payable	\$ 1,103	\$ 3,438	4,541
Total liabilities	1,103	3,438	4,541
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	994,668	402,752	1,397,420
Total Net Position	\$ 994,668	\$ 402,752	\$ 1,397,420

City of Calexico
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Corsair 2013-1 Gran Plaza CFD	Hearthstone 2005-1 CFD	Total
ADDITIONS:			
Special assessments for other governments	\$ 363,847	\$ 726,180	\$ 1,090,027
Investment earnings	23,678	5,650	29,328
Contribution from City	225,402	-	225,402
Total additions	612,927	731,830	1,344,757
DEDUCTIONS:			
Administration	24,358	43,723	68,081
Public safety	-	141,617	141,617
Payments - principal	295,000	-	295,000
Payments - interest	350,350	650,088	1,000,438
Total deductions	669,708	835,428	1,505,136
Changes in net position	(56,781)	(103,598)	(160,379)
NET POSITION:			
Beginning of year	1,051,449	506,350	1,557,799
End of year	\$ 994,668	\$ 402,752	\$ 1,397,420