City of Calexico

Calexico, California

Basic Financial Statements and Independent Auditors' Report

For the Year Ended June 30, 2019

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Calexico
Basic Financial Statements
For the Year Ended June 30, 2019

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Calexico, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, Schedule of the City's Proportionate Share of Net Pension Liability and Related Ratios, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and the Schedule of Changes in Total OPEB Liability and Related Ratios, on pages 97 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

The Combining Nonmajor Fund Financial Statements on pages 108 through 138 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Nonmajor Fund Financial Statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Pun Group, LLP

San Diego, California
March 27, 2020

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Calexico
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 25,044,231	$ 34,700,195	$ 59,744,426
Receivables:			
Accounts	1,208,208	2,564,477	3,772,685
Intergovernmental	5,349,955	95,781	5,445,736
Internal balances	(1,441,715)	1,441,715	-
Inventories and prepaid items	59,140	34,112	93,252
Deposits	175,000	-	175,000
Total current assets	30,394,819	38,836,280	69,231,099
Noncurrent assets:			
Cash and investments with fiscal agents	23,358,549	990,769	24,349,318
Capital assets:			
Non-depreciable assets	22,516,628	1,003,736	23,520,364
Depreciable assets, net	42,784,144	47,625,355	90,409,499
Total capital assets, net	65,300,772	48,629,091	113,929,863
Total noncurrent assets	88,659,321	49,619,860	138,279,181
Total assets	119,054,140	88,456,140	207,510,280
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows of resources	4,239,750	869,310	5,109,060
OPEB-related deferred outflows of resources	785,435	288,632	1,074,067
Total deferred outflows of resources	5,025,185	1,157,942	6,183,127

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Net Position (Continued)
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	2,755,417	764,948	3,520,365
Accrued payroll	332,505	87,753	420,258
Interest payable	224,703	89,947	314,650
Compensated absences - due within one year	105,755	16,006	121,761
Claims payable - due within one year	1,036,484	-	1,036,484
Long-term debt - due within one year	2,071,202	514,118	2,585,320
Total current liabilities	6,526,066	1,472,772	7,998,838
Noncurrent liabilities:			
Deposits payable	183,000	230,953	413,953
Compensated absences - due in more than one year	1,355,504	343,989	1,699,493
Claims payable - due in more than one year	1,127,516	-	1,127,516
Long-term debt - due in more than one year	32,182,215	11,896,013	44,078,228
Total OPEB liability	24,775,955	9,104,680	33,880,635
Aggregate net pension liability	21,247,121	4,494,178	25,741,299
Total noncurrent liabilities	80,871,311	26,069,813	106,941,124
Total liabilities	87,397,377	27,542,585	114,939,962
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	812,621	503,515	1,316,136
Total deferred inflows of resources	812,621	503,515	1,316,136
NET POSITION			
Net investment in capital assets	32,071,788	36,218,960	68,290,748
Restricted for:			
Special projects	17,084,575	-	17,084,575
Debt service	3,011,749	990,769	4,002,518
Capital projects	28,452,416	-	28,452,416
Total restricted	48,548,740	990,769	49,539,509
Unrestricted (deficit)	(44,751,201)	24,358,253	(20,392,948)
Total net position	$ 35,869,327	$ 61,567,982	$ 97,437,309

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Program Revenues: Total Program Revenues
Primary government:					
Governmental activities:					
General government	$ 3,169,171	$ 232,301	$ 5,425	$ 10,131	$ 247,857
Public safety	8,527,540	1,878,360	752,994	165,720	2,797,074
Public works	3,520,978	2,030,188	786,468	9,755,179	12,571,835
Culture and recreation	1,037,803	102,648	99,169	259,380	461,197
Community development	636,044	1,070,043	-	-	1,070,043
Housing	(7,154)	11,773	406,990	-	418,763
Depreciation (unallocated)	3,483,912	-	-	-	-
Interest and fiscal charges	1,547,482	-	-	-	-
Total governmental activities	21,915,776	5,325,313	2,051,046	10,190,410	17,566,769
Business-type activities:					
Water	9,195,985	7,638,288	-	(477,711)	7,160,577
Wastewater	4,707,224	5,664,808	-	-	5,664,808
Airport	638,386	329,535	-	115,781	445,316
Total business-type activities	14,541,595	13,632,631	-	(361,930)	13,270,701
Total primary government	$ 36,457,371	$ 18,957,944	$ 2,051,046	$ 9,828,480	$ 30,837,470

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Activities and Changes in Net Position (Continued)
For the Year Ended June 30, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Functions/Programs	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	(2,921,314)	$ -	$ (2,921,314)
Public safety	(5,730,466)	-	(5,730,466)
Public works	9,050,857	-	9,050,857
Culture and recreation	(576,606)	-	(576,606)
Community development	433,999	-	433,999
Housing	425,917	-	425,917
Depreciation (unallocated)	(3,483,912)	-	(3,483,912)
Interest and fiscal charges	(1,547,482)	-	(1,547,482)
Total governmental activities	(4,349,007)	-	(4,349,007)
Business-type activities:			
Water	-	(2,035,408)	(2,035,408)
Wastewater	-	957,584	957,584
Airport	-	(193,070)	(193,070)
Total business-type activities	-	(1,270,894)	(1,270,894)
Total primary government	(4,349,007)	(1,270,894)	(5,619,901)
General revenues:			
Taxes:			
Property taxes	5,588,500	-	5,588,500
Sales taxes	7,265,321	-	7,265,321
Transit occupancy taxes	333,715	-	333,715
Franchise fees	705,789	-	705,789
Non-regulatory business license tax	771,423	-	771,423
Other taxes	76,001	-	76,001
Total taxes	14,740,749	-	14,740,749
Investment earnings	1,239,152	703,459	1,942,611
Miscellaneous	5,776	2,781	8,557
Total general revenues and transfers	15,985,677	706,240	16,691,917
Changes in net position	11,636,670	(564,654)	11,072,016
Net position - beginning of year	24,232,657	62,132,636	86,365,293
Net position - end of year	35,869,327	$ 61,567,982	$ 97,437,309

See accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

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

Capital Grants Capital Projects Fund – This fund accounts for the capital outlay of proceeds from capital grants.

City of Calexico
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds			
	General Fund	LTA Measure D Special Revenue Fund	Measure D Capital Projects Fund	Measure H Capital Projects Fund
ASSETS				
Cash and investments	$ -	$ 9,019,353	$ -	$ -
Cash and investments with fiscal agents	-	-	13,160,307	7,186,493
Receivables:				
Accounts	593,830	-	-	-
Intergovernmental	1,527,163	-	-	-
Due from other funds	-	-	-	-
Inventories and prepaid items	57,308	-	-	-
Total assets	$ 2,178,301	$ 9,019,353	$ 13,160,307	$ 7,186,493
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 416,923	$ 185,521	$ 162,823	$ 120,045
Accrued payroll	316,368	-	-	-
Due to other funds	119,130	-	45,262	298,642
Deposits payable	147,891	-	-	-
Advances from other funds	1,441,715	-	-	-
Total liabilities	2,442,027	185,521	208,085	418,687
Fund Balances:				
Non-spendable	57,308	-	-	-
Restricted	-	8,833,832	12,952,222	6,767,806
Unassigned (deficit)	(321,034)	-	-	-
Total fund balances	(263,726)	8,833,832	12,952,222	6,767,806
Total liabilities and fund balances	$ 2,178,301	$ 9,019,353	$ 13,160,307	$ 7,186,493

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Balance Sheet (Continued)
Governmental Funds
June 30, 2019

	Major Funds Capital Grants Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	$ -	$ 15,316,836	$ 24,336,189
Cash and investments with fiscal agents	-	3,011,749	23,358,549
Receivables:			
Accounts	-	376,596	970,426
Intergovernmental	3,083,101	688,084	5,298,348
Due from other funds	-	2,121,597	2,121,597
Inventories and prepaid items	-	-	57,308
Total assets	$ 3,083,101	$ 21,514,862	$ 56,142,417
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 1,112,841	573,200	$ 2,571,353
Accrued payroll	-	16,137	332,505
Due to other funds	1,970,260	1,048,039	3,481,333
Deposits payable	-	35,109	183,000
Advances from other funds	-	-	1,441,715
Total liabilities	3,083,101	1,672,485	8,009,906
Fund Balances:			
Non-spendable	-	-	57,308
Restricted	-	19,994,880	48,548,740
Unassigned (deficit)	-	(152,503)	(473,537)
Total fund balances	-	19,842,377	48,132,511
Total liabilities and fund balances	$ 3,083,101	$ 21,514,862	$ 56,142,417

See accompanying Notes to the Basic Financial Statements.

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City of Calexico
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds	$ 48,132,511
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Capital assets used in governmental activities were not current financial resources and therefore were not reported in the governmental funds.	
Nondepreciable	22,516,628
Depreciable, net of accumulated depreciation	42,784,144
Total capital assets	65,300,772
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	(105,755)
Compensated absences - due in more than one year	(1,355,504)
Claims payable - due within one year	(1,036,484)
Claims payable - due in more than one year	(1,127,516)
Long-term liabilities - due within one year	(2,071,202)
Long-term liabilities - due in more than one year	(32,182,215)
Total OPEB liability	(24,775,955)
Aggregate net pension liability	(21,247,121)
Total reported in Government-Wide Statement of Net Position	(83,901,752)
Less: amount reported in Internal Service Funds	
Long-term liabilities - due within one year	602,737
Long-term liabilities - due in more than one year	421,696
Claims payable - due within one year	1,036,484
Claims payable - due in more than one year	1,127,516
Total reported in Internal Service Funds	3,188,433
Net long-term liabilities	(80,713,319)
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	4,239,750
Pension-related deferred inflows of resources	(812,621)
OPEB-related deferred outflows/inflows of resources in the governmental activities were not current financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
OPEB-related deferred outflows of resources	785,435
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. (Net of $31,041 reported in Internal Services Funds)	(193,662)
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.	(869,539)
Net Position of Governmental Activities	$ 35,869,327

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds			
	General Fund	LTA Measure D Special Revenue Fund	Measure D Capital Projects Fund	Measure H Capital Projects Fund
REVENUES:				
Property taxes	$ 2,431,880	$ -	$ -	$ -
Other taxes	8,314,827	-	-	-
Licenses and permits	1,813,977	-	-	-
Intergovernmental	3,197,164	694,878	-	-
Charges for services	2,014,061	-	-	-
Fines and forfeitures	288,651	-	-	-
Use of money and property	472,248	162,478	211,715	21,220
Other revenues	8,135	-	-	-
Total revenues	18,540,943	857,356	211,715	21,220
EXPENDITURES:				
Current:				
General government	3,519,271	-	-	-
Public safety	9,996,505	-	-	-
Public works	746,344	-	-	-
Culture and recreation	921,113	-	-	-
Community development	965,388	-	-	-
Housing	128,783	-	-	-
Contribution to CFD 2013-1	298,909	-	-	-
Capital outlay	25,684	2,936,843	2,709,262	340,417
Debt service:				
Principal	4,400	-	-	-
Interest and fiscal charges	3,463	-	-	-
Total expenditures	16,609,860	2,936,843	2,709,262	340,417
REVENUES OVER (UNDER) EXPENDITURES	1,931,083	(2,079,487)	(2,497,547)	(319,197)
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	-	-	-	-
Transfers in	600,000	-	12,831,115	-
Transfers out	(1,020,517)	-	-	-
Total other financing sources (uses)	(420,517)	-	12,831,115	-
NET CHANGE IN FUND BALANCE	1,510,566	(2,079,487)	10,333,568	(319,197)
FUND BALANCES:				
Beginning of year	(1,774,292)	10,913,319	2,618,654	7,087,003
End of year	$ (263,726)	$ 8,833,832	$ 12,952,222	$ 6,767,806

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, 2019

	Major Funds Capital Grants Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:			
Property taxes	$ -	$ -	$ 2,431,880
Other taxes	-	100,068	8,414,895
Licenses and permits	-	-	1,813,977
Intergovernmental	6,044,615	4,455,934	14,392,591
Charges for services	-	2,807,539	4,821,600
Fines and forfeitures	-	-	288,651
Use of money and property	-	415,855	1,283,516
Other revenues	-	65,369	73,504
Total revenues	6,044,615	7,844,765	33,520,614
EXPENDITURES:			
Current:			
General government	-	80,281	3,599,552
Public safety	-	726,994	10,723,499
Public works	-	3,017,690	3,764,034
Culture and recreation	-	148,203	1,069,316
Community development	-	-	965,388
Housing	-	19,225	148,008
Contribution to CFD 2013-1	-	-	298,909
Capital outlay	6,044,615	899,392	12,956,213
Debt service:			
Principal	-	1,550,000	1,554,400
Interest and fiscal charges	-	1,586,674	1,590,137
Total expenditures	6,044,615	8,028,459	36,669,456
REVENUES OVER (UNDER) EXPENDITURES	-	(183,694)	(3,148,842)
OTHER FINANCING SOURCES (USES):			
Proceeds from bond issuance	-	13,247,709	13,247,709
Transfers in	-	1,020,517	14,451,632
Transfers out	-	(13,431,115)	(14,451,632)
Total other financing sources (uses)	-	837,111	13,247,709
NET CHANGE IN FUND BALANCE	-	653,417	10,098,867
FUND BALANCES:			
Beginning of year	-	19,188,960	38,033,644
End of year	$ -	$ 19,842,377	$ 48,132,511

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, 2019

Net Change in Fund Balances - Total Governmental Funds	$ 10,098,867
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.	12,956,213
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in governmental funds.	(3,483,912)
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	(2,268,596)
Changes in net pension liabilities	1,207,803
Changes in pension-related deferred inflows of resources	686,852
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	785,435
Changes in total OPEB liabilities	971,483
Changes in OPEB-related deferred inflows of resources	309,818
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.	(320,774)
Issuance of long-term debt was a revenue in governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt	(12,495,502)
Bond premium	(752,207)
Total proceeds from issuance of debt	(13,247,709)
Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment	1,550,000
Capital lease payment	4,400
Amortization expenses were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, amortization expenses were not reported as expenditures in the Governmental Funds.	
Bond premiums	106,825
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.	(33,129)
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.	2,313,094
Change in Net Position of Governmental Activities	$ 11,636,670

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

City of Calexico
Statement of Net Position
Proprietary Funds
June 30, 2019

	Major Funds		Non-Major Fund		Internal Service Funds
	Water	Wastewater	Airport	Total	
ASSETS					
Current assets:					
Cash and investments	$ 13,031,231	$ 21,558,053	$ 110,911	$ 34,700,195	$ 708,042
Accounts receivable, net	2,564,477	-	-	2,564,477	237,782
Intergovernmental receivables	-	-	95,781	95,781	51,607
Due from other funds	-	-	-	-	1,433,137
Deposits	-	-	-	-	175,000
Inventories and prepaid items	623	3,941	29,548	34,112	1,832
Total current assets	15,596,331	21,561,994	236,240	37,394,565	2,607,400
Noncurrent assets:					
Cash and investments with fiscal agents	990,769	-	-	990,769	-
Advances to other funds	-	1,441,715	-	1,441,715	-
Capital assets:					
Non-depreciable	260,480	642,434	100,822	1,003,736	-
Depreciable, net	35,532,161	8,251,262	3,841,932	47,625,355	-
Total net capital assets	35,792,641	8,893,696	3,942,754	48,629,091	-
Total noncurrent assets	36,783,410	10,335,411	3,942,754	51,061,575	-
Total assets	52,379,741	31,897,405	4,178,994	88,456,140	2,607,400
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related deferred outflows of resources	512,199	357,111	-	869,310	-
OPEB-related deferred outflows of resources	170,741	117,891	-	288,632	-
Total deferred outflows of resources	682,940	475,002	-	1,157,942	-

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2019

	Major Funds		Non-Major Fund		Internal Service Funds
	Water	Wastewater	Airport	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	587,011	159,829	18,108	764,948	184,064
Accrued payroll	51,167	34,202	2,384	87,753	-
Interest payable	89,947	-	-	89,947	31,041
Due to other funds	-	-	-	-	73,401
Compensated absences - due within one year	8,003	8,003	-	16,006	-
Claims payable - due within one year	-	-	-	-	1,036,484
Long-term debt - due within one year	483,064	31,054	-	514,118	602,737
Total current liabilities	1,219,192	233,088	20,492	1,472,772	1,927,727
Noncurrent liabilities:					
Deposits payable	230,558	-	395	230,953	-
Compensated absences - due in more than one year	239,497	104,492	-	343,989	-
Total OPEB liability	5,385,896	3,718,784	-	9,104,680	-
Aggregate net pension liability	2,647,979	1,846,199	-	4,494,178	-
Claims payable - due in more than one year	-	-	-	-	1,127,516
Long term debt - due in more than one year	11,753,573	142,440	-	11,896,013	421,696
Total noncurrent liabilities	20,257,503	5,811,915	395	26,069,813	1,549,212
Total liabilities	21,476,695	6,045,003	20,887	27,542,585	3,476,939
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	296,672	206,843	-	503,515	-
OPEB-related deferred inflows of resources	-	-	-	-	-
Total deferred inflows of resources	296,672	206,843	-	503,515	-
NET POSITION					
Net investment in capital assets	23,556,004	8,720,202	3,942,754	36,218,960	-
Restricted for:					
Debt service	990,769	-	-	990,769	-
Unrestricted (deficit)	6,742,541	17,400,359	215,353	24,358,253	(869,539)
Total net position	$ 31,289,314	$ 26,120,561	$ 4,158,107	$ 61,567,982	$ (869,539)

See accompanying Notes to the Basic Financial Statements.

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City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Major Funds		Non-Major Fund		Internal Service
	Water	Wastewater	Airport	Total	Funds
OPERATING REVENUES:					
Charges for services	$ 7,638,288	$ 5,664,808	$ 329,535	$ 13,632,631	$ 5,852,332
Other revenue	2,765	-	16	2,781	71,596
Total operating revenues	7,641,053	5,664,808	329,551	13,635,412	5,923,928
OPERATING EXPENSES:					
Salaries and benefits	4,985,316	2,411,667	74,144	7,471,127	-
Material, supplies, and operational expenses	2,133,917	1,723,570	303,925	4,161,412	40,252
Insurance	-	-	-	-	347,753
Claim payments	-	-	-	-	2,401,207
Claims administration	-	-	-	-	822,413
Depreciation	1,515,192	560,259	260,317	2,335,768	-
Total operating expenses	8,634,425	4,695,496	638,386	13,968,307	3,611,625
OPERATING INCOME (LOSS)	(993,372)	969,312	(308,835)	(332,895)	2,312,303
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental	(477,711)	-	115,781	(361,930)	-
Investment earnings	270,131	431,594	1,734	703,459	31,832
Interest expense	(561,560)	(11,728)	-	(573,288)	(31,041)
Loss on disposal of assets	-	-	-	-	-
Total nonoperating revenues (expenses)	(769,140)	419,866	117,515	(231,759)	791
INCOME (LOSS) BEFORE TRANSFERS	(1,762,512)	1,389,178	(191,320)	(564,654)	2,313,094
TRANSFERS:					
Transfers in	-	-	-	-	59,000
Transfers out	-	-	-	-	(59,000)
Total transfers	-	-	-	-	-
Change in net position	(1,762,512)	1,389,178	(191,320)	(564,654)	2,313,094
NET POSITION:					
Beginning of year, as restated (Note 17)	33,051,826	24,731,383	4,349,427	62,132,636	(3,182,633)
End of year	$ 31,289,314	$ 26,120,561	$ 4,158,107	$ 61,567,982	$ (869,539)

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Major Funds		Non-Major Fund		Internal Service
	Water	Wastewater	Airport	Total	Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	$ 7,417,901	$ 5,664,808	$ 329,946	$ 13,412,655	$ 5,692,311
Cash payments to suppliers for goods and services	(2,737,319)	(1,750,780)	(308,958)	(4,797,057)	(932,385)
Cash payments to employees for services	(2,056,976)	(1,352,938)	(73,961)	(3,483,875)	(2,533,088)
Net cash provided by (used in) operating activities	2,623,606	2,561,090	(52,973)	5,131,723	2,226,838
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenue (expense)	(477,711)	-	-	(477,711)	(1,296)
Principal paid on noncapital-related debt	-	-	-	-	(1,021,759)
Interest paid on noncapital-related debt	-	-	-	-	(43,602)
Interfund borrowing (lending)	-	-	-	-	35,334
Repayment of interfund borrowing (lending)	-	-	-	-	(524,701)
Receipt of advances made to other funds	-	699,725	-	699,725	-
Transfers in	-	-	-	-	59,000
Transfers out	-	-	-	-	(59,000)
Net cash provided by (used in) noncapital financing activities	(477,711)	699,725	-	222,014	(1,556,024)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(565,488)	(566,608)	(100,822)	(1,232,918)	-
Intergovernmental grants	-	-	10,000	10,000	-
Capital acquisition with capital-related debt	-	27,861	-	27,861	-
Principal paid on capital-related debt	(464,773)	(24,698)	-	(489,471)	-
Interest paid on capital-related debt	(564,355)	(11,528)	-	(575,883)	-
Net cash (used in) capital and related financing activities	(1,594,616)	(574,973)	(90,822)	(2,260,411)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	270,131	431,594	1,734	703,459	31,832
Net cash provided by investing activities	270,131	431,594	1,734	703,459	31,832
Net increase (decrease) in cash and cash equivalents	821,410	3,117,436	(142,061)	3,796,785	702,646
CASH AND CASH EQUIVALENTS:					
Beginning of year	13,200,590	18,440,617	252,972	31,894,179	5,396
End of year	$ 14,022,000	$ 21,558,053	$ 110,911	$ 35,690,964	$ 708,042
RECONCILIATION OF CASH AND INVESTMENTS TO STATEMENT OF NET POSITION:					
Cash and investments	$ 13,031,231	$ 21,558,053	$ 110,911	$ 34,700,195	$ 708,042
Cash and investments with fiscal agents	990,769	-	-	990,769	-
Total cash and investments	$ 14,022,000	$ 21,558,053	$ 110,911	$ 35,690,964	$ 708,042

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Major Funds		Non-Major Fund		Internal Service Funds
	Water	Wastewater	Airport	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ (993,372)	$ 969,312	$ (308,835)	$ (332,895)	$ 2,312,303
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,515,192	560,259	260,317	2,335,768	-
Changes in operating assets and liabilities:					
Accounts receivable	(225,473)	-	-	(225,473)	(231,617)
Inventories and prepaid items	(320)	(3,638)	5,003	1,045	75,971
Pension-related deferred outflows	13,794	82,350	-	96,144	-
OPEB-related deferred outflows	(170,741)	(117,891)	-	(288,632)	-
Accounts payable	(603,082)	(23,572)	(10,036)	(636,690)	(141,819)
Accrued payroll	3,407	(91)	183	3,499	-
Deposits payable	2,321	-	395	2,716	-
Compensated absences	60,712	27,154	-	87,866	-
Aggregate net pension liability	644,217	172,081	-	816,298	-
Total OPEB liability	2,452,723	1,002,649	-	3,455,372	-
Claims payable	-	-	-	-	212,000
Pension-related deferred inflows	(40,477)	(74,840)	-	(115,317)	-
OPEB-related deferred inflows	(35,295)	(32,683)	-	(67,978)	-
Total adjustments	3,616,978	1,591,778	255,862	5,464,618	(85,465)
Net cash provided by (used in) operating activities	$ 2,623,606	$ 2,561,090	$ (52,973)	$ 5,131,723	$ 2,226,838

See accompanying Notes to the Basic Financial Statements.

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FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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City of Calexico
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Agency Funds	Successor Agency to the Calexico Redevelopment Agency
ASSETS		
Current assets:		
Cash and investments	$ 611,721	$ 4,369,396
Cash and investments with fiscal agents	991,576	7,985,064
Accounts receivable	10,190	3,091
Total current assets	1,613,487	12,357,551
Noncurrent assets:		
Capital assets:		
Nondepreciable	-	1,281,663
Depreciable, net accumulated depreciation	-	1,754,806
Total noncurrent assets	-	3,036,469
Total assets	$ 1,613,487	15,394,020
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding, net		620,433
Total deferred outflows of resources		620,433
LIABILITIES		
Accounts payable	$ 7,365	8,736
Due to bondholders	1,606,122	-
Interest payable	-	651,927
Long-term debt	-	30,687,174
Total liabilities	$ 1,613,487	31,347,837
NET POSITION (DEFICIT)		
Held in trust for retirement of obligations of the former Community Redevelopment Agency of the City of Calexico		$ (15,333,384)

See accompanying Notes to the Basic Financial Statements.

City of Calexico
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Successor Agency to the Calexico Redevelopment Agency
ADDITIONS:	
Property taxes - Redevelopment Property Tax Trust Fund (RPTTF)	$ 2,788,948
Investment earnings	241,274
Other revenue	730,603
Total additions	3,760,825
DEDUCTIONS:	
Administration expenses	250,000
Depreciation	45,877
Enforceable obligations	15,602
Interest expense and fiscal charges	1,610,465
Total deductions	1,987,799
Change in net position	1,773,026
NET POSITION:	
Beginning of year	(17,106,410)
End of year	$ (15,333,384)

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Calexico
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For the Year Ended June 30, 2019

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City of Calexico
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For the Year Ended June 30, 2019

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Note 1 – Reporting Entity and Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

A. Financial Reporting Entity (Continued)

Calexico Financing Authority (the "Financing Authority")

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

Calexico Housing Authority (the "Housing Authority")

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

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

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

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

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

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

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

Government Fund Financial Statements

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

All governmental funds are accounted for on a spending or *"current financial resources"* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 90 days for all revenues.

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

B. Basis of Accounting and Measurement Focus (Continued)

Government Fund Financial Statements (Continued)

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

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

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

The City reports the following major governmental funds:

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

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

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

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

Capital Grants Capital Projects Fund – This fund accounts the capital outlay of funds received through federal state, and local 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

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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

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

The City reports the following major proprietary funds:

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

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds. Both agency 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 agency 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 Agency 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).

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

B. Basis of Accounting and Measurement Focus (Continued)

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

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

C. Deferred Outflows and Inflows of Resources

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

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

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

D. Cash, Cash Equivalents and Investments

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

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

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

E. Restricted Cash and Investments

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

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

F. Fair Value Measurement

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

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

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

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

G. Interfund Transactions

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

H. Inventories and Prepaid Items

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

I. Capital Assets

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

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

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

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

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

I. Capital Assets (Continued)

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

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.

Capital Assets Acquired Under Lease Purchase Contracts

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

J. Pensions

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period:	July 1, 2017 to June 30, 2018

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.

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

K. Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Benefits Plan ("OPEB Plan") and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 10). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

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

L. Compensated Absences

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

A liability is recorded for unused sick leave and unpaid vacation balances if it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused leave balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. The amounts accrued for financial statement purposes represent 100 percent of the vacation pay liability at June 30, 2019. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefit that is estimated will be paid at retirement.

M. Unearned Revenue

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

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

N. Long-Term Debt

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

O. Net Position

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

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

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

P. Fund Balances

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

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

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

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

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

P. Fund Balances (Continued)

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

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

Q. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

R. Property Taxes

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

Property valuations – are established by the Assessor of the County of Imperial (County) for the secured and unsecured property tax roll; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIIIA 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.

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

R. Property Taxes (Continued)

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

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

S. Use of Accounting Estimates

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

T. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2019

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, 2019. 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. 83

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (ARO). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2019.

GASB Statement No. 88

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2019.

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

U. Upcoming Governmental Accounting Standards Implementation

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

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases.* This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

GASB Statement No. 89

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

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests– An Amendment of GASB Statements No. 14 and No. 61.* This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement is effective for the City's fiscal year ending June 30, 2020

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

U. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2019:

	Primary Government				
	Governmental Activities	Business-type Activities	Total	Fiduciary Funds	Total
Cash and investments	$ 25,044,231	$ 34,700,195	$ 59,744,426	$ 4,981,117	$ 64,725,543
Cash and investments with fiscal agent	23,358,549	990,769	24,349,318	8,976,640	33,325,958
Total	$ 48,402,780	$ 35,690,964	$ 84,093,744	$ 13,957,757	$ 98,051,501

Cash and investments consisted of the following at June 30, 2019:

Cash and cash equivalents:	
Petty cash	$ 5,930
Demand deposits	14,116,509
Investments:	
Local Agency Investment Fund	50,603,103
Money market funds	33,325,959
Total	$ 98,051,501

Note 2 – Cash and Investments (Continued)

At June 30, 2019, 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, 2019:

Investment Type	Total as of June 30, 2019	Measurement Inputs	Valuation Technique
Investments:			
Local Agency Investment Fund	$ 50,603,103	Uncategorized	N/A
Money market funds	33,325,959	Uncategorized	N/A
Total	$ 83,929,062		

A. Demand Deposits

The carrying amounts of the City's demand deposits were $14,116,509 at June 30, 2019. Bank balances were $14,860,898 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

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

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

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

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

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

Note 2 – Cash and Investments (Continued)

C. *Investments Authorized by Debt Agreements*

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

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

D. *External Investment Pool*

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2019 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, 2019, the City had $50,603,103 invested in LAIF, which had invested 1.77% of the pool investment funds in structured notes and asset-backed 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 fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The credit quality rating of LAIF is unrated as of June 30, 2019.

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.

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2019:

		Maturities
	Amount	1 year or less
Investments:		
Local Agency Investment Fund	$ 50,603,103	$ 50,603,103
Money market funds	33,325,959	33,325,959
Total	$ 83,929,062	$ 83,929,062

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.

		Credit Quality Ratings	
	Amount	Moody's	Standard & Poor's
Investments:			
Local Agency Investment Fund	$ 50,603,103	Not Rated	Not Rated
Money market funds	33,325,959	Not Rated	Not Rated
Total	$ 83,929,062		

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

At June 30, 2019, the City's deposits (bank balances) were collateralized under California Law. All securities, with the exception of LAIF and other pooled investments, are held by a third-party custodian (BNY Western Trust). BNY is a registered member of the Federal Reserve Bank.

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Disclosure Relating to Concentration of Credit Risk

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, 2019	Percentage of Investments
Investments:		
Local Agency Investment Fund	$ 50,603,103	60.29%
Money market funds	33,325,959	39.71%
Total	$ 83,929,062	

Note 3 – Notes and Loans Receivable

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, 2019, notes and loans receivable consisted of the following:

	Notes/Loans Receivable Balance 7/1/2018	Additions	Deletions	Notes/Loans Receivable Balance 6/30/2019	Allowance for Doubtful Accounts Balance 6/30/2019	Financial Statement Balance 6/30/2019
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, LP	400,000	-	-	400,000	(400,000)	-
California Family Apartments II, LP	3,400,000	-	-	3,400,000	(3,400,000)	-
HPD Villa Del 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	11,135,519	-	(365,800)	10,769,719	(10,769,719)	-
City notes and loans receivable total	28,088,092	-	(365,800)	27,722,292	(27,722,292)	-
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	$ 28,408,849	$ -	$ (365,800)	$ 28,043,049	$ (28,043,049)	$ -

Note 3 – Notes and Loans Receivable (Continued)

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, 2019, the outstanding balance was $306,377.

De Anza Limited Partnership #1

In 1997, the City loaned De Anza Limited Partnership the amount of $422,977 for the De Anza Hotel construction project. The note is secured by property. The note bears interest at a rate of 3% per annum and is due on the 16th anniversary of the date the project was placed in service. At June 30, 2019, 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, 2019, 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, 2019, 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, 2019, the outstanding balance of the note was $200,000.

California Family Apartments, LP

On October 21, 2002, the City loaned CFA Limited Partnership $400,000 for affordable housing projects. This note is secured by a deed of trust. The note bears interest at 6% per annum. Principal and accrued interest shall be repaid beginning on April 15, 2004 and each April 15 thereafter until repaid in full. All outstanding principal and accrued interest shall be due in full on the earlier of the eighteenth anniversary of the date of this note or the sale or other transfer of the property. At June 30, 2019, the outstanding balance of the note was $400,000.

Note 3 – Notes and Loans Receivable (Continued)

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, 2019, 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, 2019, 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, 2019, the outstanding balance of the note was $5,100,000.

Other Loans

The City and Successor Agency have established various loan programs that assist residents of the City in purchasing and/or rehabilitating their homes and for business development. These loans are in the form of fully amortized or deferred loans. The deferred loans are usually due upon sale of property. At June 30, 2019, the outstanding balance of the City and Successor Agency loans were $10,769,719 and $320,757, respectively.

Note 4 – Interfund Transactions

A. Due To and Due From Other Funds

Due from and to other funds as of June 30, 2019, was as follows:

	Due To Other Funds						
Due From Other Funds	General Fund	Measure D Capital Projects Fund	Measure H Capital Projects Fund	Capital Grants Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Nonmajor Governmental Funds	$ 119,130	$ 45,262	$ 298,642	$ 1,654,925	$ 3,638	$ -	$ 2,121,597
Internal Service Funds	-	-	-	315,335	1,044,401	73,401	1,433,137
Total	$ 119,130	$ 45,262	$ 298,642	$ 1,970,260	$ 1,048,039	$ 73,401	$ 3,554,734

Current interfund balances arise in the normal course of business and to assist funds with negative cash balances at the end of the fiscal year. They are expected to be repaid shortly after the end of the fiscal year.

Note 4 – Interfund Transactions (Continued)

B. Transfers In/Out

Transfers in and out for the year ended June 30, 2019, were as follows:

	Transfers In				
Transfers Out	General Fund	Measure D Capital Projects Fund	Non-major Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ -	$ 1,020,517	$ -	$ 1,020,517
Non-major Governmental Funds	600,000	12,831,115	-	-	13,431,115
Internal Service Funds	-	-	-	59,000	59,000
Total	$ 600,000	$ 12,831,115	$ 1,020,517	$ 59,000	$ 14,510,632

General Fund – The General Fund has transferred $996,585 of Measure H sales tax revenue to the Measure H Debt Service Fund to cover debt service on the Measure H bonds. The General Fund also transferred $23,932 to the IVECA Special Revenue Fund to fund payments to the regional Emergency Communications Authority in excess of the amount funded by the City's allocation of 30% of Transient Occupancy Tax revenue.

Non-major Governmental Funds – The Measure D Debt Service Fund has transferred 2018 bond proceeds of $12,831,115 to the Measure D Capital Projects Fund to finance street improvement capital projects. Also, the Solid Waste Fund transferred a surplus balance of $600,000 to the General Fund.

Internal Service Funds – The General Liability Internal Service Fund has transferred its surplus fund balance of $59,000 at June 2019 to support operations in the Retiree Medical Internal Service Funds.

C. Long-Term Advances

Long-term advances for the year ended June 30, 2019, was as follows:

	Advances From Other Funds
Advances To Other Funds	General Fund
Wastewater	$ 1,441,715

On June 30, 2016, the City Council adopted a capital lease financing program in which the City's Wastewater Fund advanced $3.5 million to the General Fund to cover General Fund cash shortages. The terms of the advance include a 2% interest rate and a five-year repayment schedule. As of June 30, 2019, the General Fund has repaid the third of the five scheduled annual lease payments.

Note 5 – Capital Assets

A. Governmental Activities

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

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Non-depreciable Assets:					
Land	$ 5,445,917	$ 65,855	$ -	$ -	$ 5,511,772
Construction in progress	7,880,032	12,734,408	-	(3,609,584)	17,004,856
Total non-depreciable assets	13,325,949	12,800,263	-	(3,609,584)	22,516,628
Depreciable Assets:					
Building and improvements	21,405,325	28,713	-	7,450	21,441,488
Machinery and equipment	10,664,330	127,237	-	-	10,791,567
Infrastructure	102,881,288	-	-	3,602,134	106,483,422
Total depreciable assets, at cost	134,950,943	155,950	-	3,609,584	138,716,477
Less accumulated depreciation:					
Building and improvements	(10,720,129)	(443,379)	-	-	(11,163,508)
Machinery and equipment	(7,441,266)	(655,133)	-	-	(8,096,399)
Infrastructure	(74,287,026)	(2,385,400)	-	-	(76,672,426)
Total accumulated depreciation	(92,448,421)	(3,483,912)	-	-	(95,932,333)
Total depreciable assets, net	42,502,522	(3,327,962)	-	3,609,584	42,784,144
Total governmental activities	$ 55,828,471	$ 9,472,301	$ -	$ -	$ 65,300,772

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2019 was $3,483,912 and was not allocated to any function or program.

B. Business-Type Activities

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

	Balance July 1, 2018	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2019
Non-depreciable Assets:					
Land	$ 239,300	$ 42,315	$ -	$ -	$ 281,615
Construction in progress	51,901	670,220	-	-	722,121
Total non-depreciable assets	291,201	712,535	-	-	1,003,736
Depreciable Assets:					
Building and improvements	37,017,197	-	-	-	37,017,197
Machinery and equipment	19,006,525	419,797	-	-	19,426,322
Infrastructure	23,072,807	100,586	-	-	23,173,393
Total depreciable assets, at cost	79,096,529	520,383	-	-	79,616,912
Less accumulated depreciation:					
Building and improvements	(15,673,728)	(714,280)	-	-	(16,388,008)
Machinery and equipment	(6,975,692)	(1,099,801)	-	-	(8,075,493)
Infrastructure	(7,006,369)	(521,687)	-	-	(7,528,056)
Total accumulated depreciation	(29,655,789)	(2,335,768)	-	-	(31,991,557)
Total depreciable assets, net	49,440,740	(1,815,385)	-	-	47,625,355
Total business-type activities	$ 49,731,941	$ (1,102,850)	$ -	$ -	$ 48,629,091

Note 5 – Capital Assets (Continued)

B. Business-Type Activities (Continued)

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2019 was as follows:

Water	$ 1,515,192
Wastewater	560,259
Airport	260,317
Total depreciation expense	$ 2,335,768

C. Fiduciary Funds

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non-depreciable Assets:				
Land	$ 1,347,518	$ -	$ (65,855)	$ 1,281,663
Total non-depreciable assets	1,347,518	-	(65,855)	1,281,663
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	(493,181)	(45,877)	-	(539,058)
Total accumulated depreciation	(493,181)	(45,877)	-	(539,058)
Total depreciable assets, net	1,800,683	(45,877)	-	1,754,806
Total fiduciary funds	$ 3,148,201	$ (45,877)	$ (65,855)	$ 3,036,469

Depreciation expense for capital assets of the fiduciary funds for the year ended June 30, 2019 was $45,877.

Note 6 – Long-Term Debt

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Debt Issued	JPIA Payment Plan Adjustments	Debt Retired	Balance June 30, 2019	Classification Due in One Year	Classification Due in more than One Year
Governmental Activities:							
LTA Sales Tax Revenue Bonds, Series 2012B	$ 11,945,000	$ -	$ -	$ (660,000)	$ 11,285,000	$ 685,000	$ 10,600,000
Bond premium	34,212	-	-	(8,552)	25,660	-	25,660
Measure H Lease Revenue Bonds	8,950,000	-	-	(585,000)	8,365,000	610,000	7,755,000
Bond premium	667,288	-	-	(60,663)	606,625	-	606,625
LTA Sales Tax Revenue Bonds, Series 2018A	-	12,375,000	-	(305,000)	12,070,000	155,000	11,915,000
Bond premium	-	752,207	-	(37,610)	714,597	-	714,597
Tax sharing agreement	46,000	-	-	-	46,000	-	46,000
Capital lease obligations	-	120,502	-	(4,400)	116,102	18,465	97,637
JPIA payable internal service funds:							
Workers compensation	504,580	-	74,789	(249,123)	330,246	248,854	81,392
General liability	1,541,612	-	(506,370)	(341,055)	694,187	353,883	340,304
Total JPIA payable	2,046,192	-	(431,581)	(590,178)	1,024,433	602,737	421,696
Total internal service funds	2,046,192	-	(431,581)	(590,178)	1,024,433	602,737	421,696
Total long-term debt	23,688,692	13,247,709	(431,581)	(2,251,403)	34,253,417	2,071,202	32,182,215
Total governmental activities	$ 23,688,692	$ 13,247,709	$ (431,581)	$ (2,251,403)	$ 34,253,417	$ 2,071,202	$ 32,182,215

LTA Sales Tax Revenue Bonds, Series 2012B

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

The issue consists of serial bonds in the amount $15,410,000 payable annually on June 1 of each year, commencing on June 1, 2013 and maturing in 2032 with interest rates ranging from 3% to 4% per annum. Interest payments are due on June 1 and December 1 of each year until the bonds are paid off. At June 30, 2019, the outstanding balance of the bonds was $11,285,000. Total principal and interest remaining on the bond is $14,623,550, payable through 2032.

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

LTA Sales Tax Revenue Bonds, Series 2012B (Continued)

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

Year Ending June 30,	Principal	Interest	Total
2020	$ 685,000	$ 444,500	$ 1,129,500
2021	710,000	417,100	1,127,100
2022	735,000	395,800	1,130,800
2023	755,000	373,750	1,128,750
2024	795,000	336,000	1,131,000
2025-2029	4,470,000	1,117,400	5,587,400
2030-2032	3,135,000	254,000	3,389,000
Total	$ 11,285,000	$ 3,338,550	$ 14,623,550

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, 2019, the outstanding balance of the bonds was $8,365,000. Total principal and interest remaining on the bond is $10,958,500, payable through 2030.

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

Year Ending June 30,	Principal	Interest	Total
2020	$ 610,000	$ 385,200	$ 995,200
2021	635,000	360,800	995,800
2022	660,000	335,400	995,400
2023	685,000	309,000	994,000
2024	715,000	281,600	996,600
2025-2029	4,110,000	874,000	4,984,000
2030	950,000	47,500	997,500
Total	$ 8,365,000	$ 2,593,500	$ 10,958,500

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

LTA Sales Tax Revenue Bonds, Series 2018A

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

The issue consists of serial bonds in the amount $12,375,000 payable annually on June 1 of each year, commencing on June 1, 2019 and maturing in 2038 with interest rates ranging from 3.25% to 5% per annum. Interest payments are due on June 1 and December 1 of each year until the bonds are paid off. At June 30, 2019, the outstanding balance of the bonds was $12,070,000. Total principal and interest remaining on the bond is $19,324,550, payable through 2038.

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

Year Ending June 30,	Principal	Interest	Total
2020	$ 155,000	$ 504,850	$ 659,850
2021	165,000	498,650	663,650
2022	165,000	492,050	657,050
2023	175,000	485,450	660,450
2024	185,000	476,700	661,700
2025-2029	1,065,000	2,235,750	3,300,750
2030-2034	3,665,000	1,898,900	5,563,900
2035-2038	6,495,000	662,200	7,157,200
Total	$ 12,070,000	$ 7,254,550	$ 19,324,550

Tax Sharing Agreement – Imperial County

In June 2003, the City entered into an agreement with LAFCO in order to offset the "negative fiscal impacts," as determined by LAFCO, to the County as a result of the approval of the Calexico Annexation No. CX 3-01. The City agreed to pay the County $291,000 interest free, payable solely from the property tax revenues upon annexation of the area. At June 30, 2019, the outstanding balance was $46,000.

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Capital Leases

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

The annual debt service requirements for the capital leases payable outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 18,465	$ 7,994	$ 26,459
2021	20,065	6,394	26,459
2022	21,805	4,654	26,459
2023	23,697	2,762	26,459
2024	32,070	727	32,797
Total	$ 116,102	$ 22,531	$ 138,633

The City acquired certain capital assets and leased them with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

Vehicles	$ 120,502
Less: accumulated depreciation	(12,050)
Total	$ 108,452

JPIA Payable

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

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

Each member pays an annual contribution to cover estimated losses for the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective charge is computed annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members generated a retrospective charge balance of $2,055,321 due from the City to the JPIA. The City's liability to the JPIA is recorded in its respective Workers Compensation and General Liability Internal Service Funds. During the year ended June 30, 2017, the City negotiated a 5 - year installment payment plan for these charges with an interest carrying charge of 2% per year. During the year ended June 30, 2019, a net retrospective credit of $431,581 has reduced the remaining balance of the City's payment obligation to $1,024,433.

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

JPIA Payable (Continued)

The annual debt service requirements for the JPIA Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 602,737	$ 31,041	$ 633,778
2021	421,696	18,213	439,909
Total	$ 1,024,433	$ 49,254	$ 1,073,687

B. Business-Type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due in One Year	Due in more than One Year
Business-Type Activities:						
Capital lease obligations	$ 411,541	$ 27,861	$ (59,271)	$ 380,131	$ 69,118	$ 311,013
Lease revenue bonds	12,460,000	-	(430,000)	12,030,000	445,000	11,585,000
Total long-term debt	12,871,541	27,861	(489,271)	12,410,131	514,118	11,896,013
Total business-type activities	$ 12,871,541	$ 27,861	$ (489,271)	$ 12,410,131	$ 514,118	$ 11,896,013

Capital Leases

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

The annual debt service requirements for the capital leases payable outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 69,118	$ 22,890	$ 92,008
2021	75,338	16,670	92,008
2022	81,677	10,331	92,008
2023	143,528	2,624	146,152
2024	10,470	181	10,651
Total	$ 380,131	$ 52,696	$ 432,827

Note 6 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Capital Lease (Continued)

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

Vehicles	$	459,736
Less: accumulated depreciation		(89,162)
Total	$	370,574

Lease Revenue Bonds - 2007

On January 1, 2007, the City, through the former RDA issued $14,030,000 in Water System Lease Revenue Bonds of 2007. Proceeds from the sale of the bonds were used to provide funds to finance certain capital improvements to the City's water system, fund a reserve account for the bonds, fund capitalized interest, and pay certain costs of issuance of the bonds. The bonds will be payable solely from certain lease payments to be made by the City to the former RDA pursuant to a lease agreement by and between the City and the former RDA. The lease payments are special limited obligations of the City payable solely from and secured by a pledge of and first lien on water revenues. The total outstanding principal balance on the bonds as of June 30, 2019 was $12,030,000. The Redevelopment Obligation Retirement Fund (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the Redevelopment Agency (RDA) on February 1, 2012.

The City has pledged a portion of future lease revenues from the former RDA to repay the 2007 Lease Revenue Bonds. Annual principal and interest payments on the notes are expected to require 100% of future lease revenues. Total principal and interest remaining on the bond is $17,481,914, payable through 2037.

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

Year Ending June 30,	Principal	Interest	Total
2020	$ 445,000	$ 530,780	$ 975,780
2021	465,000	512,348	977,348
2022	485,000	492,752	977,752
2023	505,000	470,063	975,063
2024	530,000	444,188	974,188
2025-2029	3,065,000	1,794,203	4,859,203
2030-2034	3,820,000	1,186,938	5,006,938
2035-2037	2,715,000	20,642	2,735,642
Total	$ 12,030,000	$ 5,451,914	$ 17,481,914

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds

Summary of changes in long-term liabilities for the fiduciary funds for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification: Due in One Year	Classification: Due in more than One Year
Fiduciary Funds:						
Tax Allocation Bonds - 2000	$ 565,000	$ -	$ (25,000)	$ 540,000	$ 25,000	$ 515,000
Tax Allocation Refunding Bonds - 2006	9,565,000	-	(50,000)	9,515,000	50,000	9,465,000
Tax Allocation Bonds - 2011	7,120,000	-	-	7,120,000	-	7,120,000
Bond discount	(26,902)	-	1,793	(25,109)	-	(25,109)
Tax Allocation Bonds - 2011 School District	1,810,000	-	-	1,810,000	-	1,810,000
Bond discount	(125,468)	-	8,364	(117,104)	-	(117,104)
2014 Tax Allocation Refunding Bonds	11,845,000	-	(1,200,000)	10,645,000	1,265,000	9,380,000
Bond discount	1,319,325	-	(119,938)	1,199,387	-	1,199,387
Total Tax Allocation Bonds	$ 32,071,955	$ -	$ (1,384,781)	$ 30,687,174	$ 1,340,000	$ 29,347,174

2000 Tax Allocation Bonds

On December 10, 2000, the Agency issued the 2000 Tax Allocation Bonds in the amount of $10,000,000. The proceeds from the issue were used to pay the issuance costs, fund a reserve account, and finance various projects within the Agency's Merged Central Business District and Residential Redevelopment Project Area. The bonds are secured by a pledge of and lien on tax increment revenues.

Interest payments are payable on August 1 and February 1 of each year, commencing on August 1, 2001. The bonds consist of $150,000 of serial bonds due August 1, 2001, at an interest rate of 3.85% and $9,850,000 of term bonds with principal maturing on August 1 beginning 2002 and ending in 2030. Interest rates on the term bonds vary from 4.25% to 5.50% per annum. Annual debt service principal requirements range from $10,000 to $1,780,000. During the year, principal payments of $25,000 were made. The outstanding balance of the bonds was transferred to the Successor Agency on January 31, 2012 due to the dissolution of the Agency. At June 30, 2019, the outstanding balance of the bonds was $540,000. The total principal and interest remaining to be paid on the bond is $700,446, payable through 2026.

The annual debt service requirements for the 2000 Tax Allocation Bonds at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 25,000	$ 28,354	$ 53,354
2021	25,000	27,010	52,010
2022	25,000	25,666	50,666
2023	25,000	24,322	49,322
2024	25,000	22,978	47,978
2025-2026	415,000	32,116	447,116
Total	$ 540,000	$ 160,446	$ 700,446

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2006 Tax Allocation Refunding Bonds

On December 1, 2006, the Agency issued $9,995,000 of 2006 Tax Allocation Refunding Bonds. The purpose of the bonds is to partially refund the 2000 Tax Allocation Bonds. The bonds are payable solely from the tax revenues allocated to the Agency.

The issue consists of serial bonds in the amount $9,995,000 payable annually on August 1 of each year, commencing on August 1, 2006 and maturing in 2031 with interest rates ranging from 3.50% to 4.50% per annum. Interest payments are due on August 1 and February 1 of each year until the bonds are paid off. The outstanding balance of the bonds was transferred to the Successor Agency on January 31, 2012 due to the dissolution of the Agency. At June 30, 2019, the outstanding balance of the bonds was $9,515,000. Total principal and interest remaining on the bond is $13,215,666, payable through 2031.

The annual debt service requirements for the 2006 Tax Allocation Bonds at June 30, 2019, are as follows

Year Ending June 30,	Principal	Interest	Total
2020	$ 50,000	$ 406,560	$ 456,560
2021	55,000	404,460	459,460
2022	55,000	402,261	457,261
2023	60,000	399,961	459,961
2024	60,000	397,523	457,523
2025-2029	5,780,000	1,532,738	7,312,738
2030-2031	3,455,000	157,163	3,612,163
Total	$ 9,515,000	$ 3,700,666	$ 13,215,666

2011 Tax Allocation Bonds

On February 1, 2011, the Agency issued the 2011 Tax Allocation Bonds in the amount of $7,120,000. The Bonds were issued to (i) finance certain redevelopment activities of the Agency within the Merged Central Business District and Residential Redevelopment Project Area (the "Project Area"), (ii) fund a reserve for the Bonds, and (iii) pay certain costs of issuing the bonds. The Bonds are payable from and secured by the tax revenues to be derived from the Project Area and certain funds and accounts held under the Agency.

The issue consists of serial bonds in the amount $7,120,000 payable annually on August 1 of each year, commencing on August 1, 2011 and maturing in 2034 with interest rates ranging from 7.25% to 7.50% per annum. Interest payments are due on August 1 and February 1 of each year until the bonds are paid off. The outstanding balance of the bonds in the amount of $7,120,000 was transferred to the Successor Agency on January 31, 2012 due to the dissolution of the Agency. At June 30, 2019, the outstanding balance of the bonds was $7,120,000. Total principal and interest remaining on the bond is $14,035,775, payable through 2033.

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2011 Tax Allocation Bonds (Continued)

The annual debt service requirements for the 2011 Tax Allocation Bonds at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ -	$ 516,200	$ 516,200
2021	-	516,200	516,200
2022	-	516,200	516,200
2023	-	516,200	516,200
2024	-	516,200	516,200
2025-2029	-	2,581,000	2,581,000
2030-2034	7,120,000	1,753,775	8,873,775
Total	$ 7,120,000	$ 6,915,775	$ 14,035,775

2011 Tax Allocation Bonds – School District

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

1. First Amended and Restated Public Improvements Agreement dated March 16, 1993;

2. Memorandum of Understanding dated October 20, 1993; and

3. Public Improvements Agreement dated December 20, 1993.

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

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

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2011 Tax Allocation Bonds – School District (Continued)

The issue consists of serial bonds in the amount $1,815,000 payable annually on August 1 of each year, commencing on August 1, 2011 and maturing in 2034 with interest rates ranging from 6.40% to 6.60% per annum. Interest payments are due on August 1 and February 1 of each year until the bonds are paid off. The outstanding balance of the bonds was transferred to the Successor Agency on January 31, 2012 due to the dissolution of the Agency. At June 30, 2018, the outstanding balance of the bonds was $1,810,000. Total principal and interest remaining on the bond is $3,139,460 payable through 2033.

The annual debt service requirements for the 2011 Tax Allocation Bonds – School District at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ -	$ 118,740	$ 118,740
2021	-	118,740	118,740
2022	-	118,740	118,740
2023	5,000	118,580	123,580
2024	-	118,420	118,420
2025-2029	490,000	531,805	1,021,805
2030-2034	1,315,000	204,435	1,519,435
Total	$ 1,810,000	$ 1,329,460	$ 3,139,460

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, 2019, the outstanding balance of the bonds was $10,645,000. Total principal and interest remaining on the bond is $12,822,600 payable through 2028.

Note 6 – Long-Term Debt (Continued)

C. Fiduciary Funds (Continued)

2014 Tax Allocation Refunding Bonds (Continued)

The annual debt service requirements for the 2014 Tax Allocation Refunding Bonds at June 30, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 1,265,000	$ 472,950	$ 1,737,950
2021	1,310,000	428,150	1,738,150
2022	1,355,000	369,625	1,724,625
2023	1,425,000	300,125	1,725,125
2024	1,495,000	591,750	2,086,750
2025-2028	3,795,000	15,000	3,810,000
Total	$ 10,645,000	$ 2,177,600	$ 12,822,600

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 $6,606,933 in fiscal year 2019. Total debt service of all Tax Allocation Bonds paid was $2,746,293, 42% of the RPTTF revenue available for distribution to the Successor Agency.

D. Conduit Debt

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

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

Note 6 – Long-Term Debt (Continued)

D. Conduit Debt (Continued)

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

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, 2019 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, 2019, the scheduled principal payments due September 1, 2017 and 2018 have not been paid. The bond reserve account held by the trustee was $248,998, 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 $6,860,000 at June 30, 2019 were held by the District.

Note 7 – Compensated Absences

A. Governmental Activities

The City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounts to $1,461,259 at June 30, 2019. There is no fixed payment schedule for compensated absences.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Classification: Due Within One Year	Classification: Due in More Than One Year
Governmental Activities:						
Compensated absences	$ 1,140,485	$ 493,160	$ (172,386)	$ 1,461,259	$ 105,755	$ 1,355,504
Total governmental activities	$ 1,140,485	$ 493,160	$ (172,386)	$ 1,461,259	$ 105,755	$ 1,355,504

Note 7 – 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 $359,995 at June 30, 2019. There is no fixed payment schedule for compensated absences.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Classification: Due Within One Year	Classification: Due in More Than One Year
Business-Type Activities:						
Compensated absences	$ 272,129	$ 111,268	$ (23,402)	$ 359,995	$ 16,006	$ 343,989
Total business-type activities	$ 272,129	$ 111,268	$ (23,402)	$ 359,995	$ 16,006	$ 343,989

Note 8 – Risk Management

A. Summary

As of January 1, 2016, the City became a member of the California State Association of Counties Excess Insurance Authority (CSAC). With CSAC membership, the City elected to become self-insured for certain risks and purchased excess insurance for its general liability, property, and workers compensation programs through CSAC. Effective January 1, 2016, the City's general liability program carries a self-insured retention of $100,000 and its workers compensation program carries a self-insured retention of $125,000.

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
2016-2017	$ 176,085	$ 1,256,297	$ (96,382)	$ 1,336,000
2017-2018	1,336,000	756,487	(526,487)	1,566,000
2018-2019	1,566,000	603,262	(569,262)	1,600,000

General Liability

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2016-2017	$ 538,811	$ (143,544)	$ -	$ 395,267
2017-2018	395,267	(9,267)	-	386,000
2018-2019	386,000	214,914	(36,914)	564,000

Note 8 – Risk Management (Continued)

B. California State Association of Cities – Excess Insurance Authority

The City is a member of California State Association of Counties - Excess Insurance Authority (CSAC-EIA). 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). CSAC-EIA was formed as a Joint Powers Authority in 1979, pursuant to the California Government Code. The purpose of the Authority is to arrange, provide and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

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

General Liability Insurance

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

Workers' Compensation

The City has a SIR of $125,000 per claim and additional coverage above its SIR with CSAC Excess Insurance Authority (EIA) to $5 million per claim; there is an additional $45 million of reinsurance above CSAC-EIA coverage bringing the total coverage to over $50 million per claim. The CSAC-EIA 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 CSAC Excess Insurance Authority for fiscal year ended June 30, 2019, is as follows:

Total assets	$ 965,769,045
Total deferred outflows	$ 1,227,362
Total liabilities	$ 766,369,209
Total deferred inflows	$ 595,345
Total equities	$ 200,031,853
Total revenues	$1,027,734,008
Total expenses	$ 950,272,749
Revenues over expenses	$ 77,461,259

Note 9 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	$ 548,880	$ 346,554	$ 895,434
CalPERS Safety	1,249,931	-	1,249,931
Total pension contribution made after measurement date	1,798,811	346,554	2,145,365
Change in assumption:			
CalPERS Miscellaneous	612,596	386,783	999,379
CalPERS Safety	1,199,275	-	1,199,275
Total change in assumption	1,811,871	386,783	2,198,654
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	35,190	22,218	57,408
CalPERS Safety	95,661	-	95,661
Total projected earnings on pension plan investments in excess of actual earnings	130,851	22,218	153,069
Difference between expected and actual experience:			
CalPERS Miscellaneous	180,169	113,755	293,924
CalPERS Safety	302,436	-	302,436
Total difference between expected and actual experience	482,605	113,755	596,360
Employer contributions in excess of proportionate share of contribution:			
CalPERS Safety	15,612	-	15,612
Total employer contributions in excess of proportionate share of contribution	15,612	-	15,612
Total deferred outflows of resources:			
CalPERS Miscellaneous	1,376,835	869,310	2,246,145
CalPERS Safety	2,862,915	-	2,862,915
Total deferred outflows of resources	$ 4,239,750	$ 869,310	$ 5,109,060

Note 9 – Pension Plans (Continued)

A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities:			
CalPERS Miscellaneous	$ 7,117,991	$ 4,494,178	$ 11,612,169
CalPERS Safety	14,129,130	-	14,129,130
Total net pension liabilities	$ 21,247,121	$ 4,494,178	$ 25,741,299
Deferred Inflows of Resources:			
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	$ 37,998	$ 23,993	$ 61,991
CalPERS Safety	15,143	-	15,143
Total adjustment due to difference in proportions	53,141	23,993	77,134
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	759,480	479,522	1,239,002
Total employer contributions in excess of proportionate share of contribution	759,480	479,522	1,239,002
Total deferred inflows of resources:			
CalPERS Miscellaneous	797,478	503,515	1,300,993
CalPERS Safety	15,143	-	15,143
Total deferred inflows of resources	$ 812,621	$ 503,515	$ 1,316,136
Pension Expense:			
CalPERS Miscellaneous	$ 551,097	$ 347,920	$ 899,017
CalPERS Safety	2,417,413	-	2,417,413
Total net pension expense	$ 2,968,510	$ 347,920	$ 3,316,430

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.

Note 9 – Pension Plans (Continued)

B. General Information about Pension Plans (Continued)

Employees Covered by Benefit Terms

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms:

	Miscellaneous	Miscellaneous PEPRA	Safety	Safety PEPRA Police	Safety PEPRA Fire
Active employees	69	23	36	9	-
Transferred and terminated employees	108	5	84	4	1
Retired employees and beneficiaries	123	-	87	-	-
Total	300	28	207	13	1

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 employee contribution rate	8.00%	6.25%	9.00%	11.50%	11.50%
Required employer contribution rate	5.964%	5.586%	15.719%	12.141%	12.141%

Contributions

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each plan were as follows:

Miscellaneous	$	895,434
Safety		1,249,931
	$	2,145,365

Note 9 – Pension Plans (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense

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

	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Miscellaneous			
Balance at: 6/30/17 (valuation date)	$ 50,080,540	$ 38,307,558	$ 11,772,982
Balance at: 6/30/18 (measurement date)	51,239,313	39,627,144	11,612,169
Net changes during 2017-2018	1,158,773	1,319,586	(160,813)
Safety			
Balance at: 6/30/17 (valuation date)	$ 51,460,102	$ 37,100,280	$ 14,359,822
Balance at: 6/30/18 (measurement date)	53,738,256	39,609,126	14,129,130
Net changes during 2017-2018	2,278,154	2,508,846	(230,692)
Total			
Balance at: 6/30/17 (valuation date)	$ 101,540,642	$ 75,407,838	$ 26,132,804
Balance at: 6/30/18 (measurement date)	104,977,569	79,236,270	25,741,299
Net changes during 2017-2018	3,436,927	3,828,432	(391,505)

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2017	0.11871%	0.14480%	0.26351%
Proportion - June 30, 2018	0.12050%	0.14662%	0.26713%
Change - increase/(decrease)	0.00179%	0.00183%	0.00362%

Note 9 – Pension Plans (Continued)

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

For the year ended June 30, 2019, the City recognized pension expense of $899,017 and $2,417,413, for the Miscellaneous and Safety plans, respectively. At June 30, 2019, 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	$ 895,434	$ -
Difference between projected and actual earning on pension plan investments	57,408	-
Adjustment due to differences in proportions	-	61,991
Changes in assumptions	999,379	-
Difference between actual and expected experience	293,924	-
Difference between employer's actual contributions and proportionate share of contributions	-	1,239,002
Total	$ 2,246,145	$ 1,300,993

Safety Plans

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 1,249,931	$ -
Difference between projected and actual earning on pension plan investments	95,661	-
Adjustment due to differences in proportions	-	15,143
Changes in assumptions	1,199,275	-
Difference between actual and expected experience	302,436	-
Difference between employer's actual contributions and proportionate share of contributions	15,612	-
Total	$ 2,862,915	$ 15,143

Total

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 2,145,365	$ -
Difference between projected and actual earning on pension plan investments	153,069	-
Adjustment due to differences in proportions	-	77,134
Changes in assumptions	2,198,654	-
Difference between actual and expected experience	596,360	-
Difference between employer's actual contributions and proportionate share of contributions	15,612	1,239,002
Total	$ 5,109,060	$ 1,316,136

Note 9 – Pension Plans (Continued)

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

For the Miscellaneous Plan and Safety Plan, $895,434 and $1,249,931, respectively, was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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
2020	$ 362,046	$ 1,303,549	$ 1,665,595
2021	231,021	775,651	1,006,672
2022	(438,905)	(383,494)	(822,399)
2023	(104,444)	(97,865)	(202,309)
2024	-	-	-
Thereafter	-	-	-
	$ 49,718	$ 1,597,841	$ 1,647,559

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.15%
Mortality rate table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post retirement benefit increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

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

Note 9 – Pension Plans (Continued)

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

Discount Rate

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11 + [2]
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

[1] An expected inflation of 2.0% was used for this period.

[2] An expected inflation of 2.9% was used for this period.

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

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

Note 9 – Pension Plans (Continued)

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

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

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

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	$ 18,543,371	$ 11,612,169	$ 5,890,575
Safety	$ 21,537,293	$ 14,129,130	$ 8,059,467
Total	$ 40,080,664	$ 25,741,299	$ 13,950,042

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, 2019, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2019.

Note 10 – Other Postemployment Benefits

A. General Information about OPEB

Plan Description

As of July 1, 2018, the date of its most recent OPEB actuarial valuation, the City provided health benefits to 37 retirees. In addition, 99 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.

Note 10 – Other Postemployment Benefits (Continued)

A. General Information about OPEB (Continued)

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, 2018, the date of the latest actuarial valuation:

Retirees	37
Active plan members	99
Total	136

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2019, the City's average contribution rate was 2.57 % of covered-employee payroll. Employees are not required to contribute to the plan.

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

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability at June 30, 2019 was $33,880,635.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Discount Rate	3.15%
Inflation	2.75%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 1997-2011 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2014
Healthcare Trend Rate	An annual healthcare cost trend rate of 6.5% initially reduced by decrements to an ultimate of 5.0% therefore.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018.

Note 10 – Other Postemployment Benefits (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.15% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	$ 31,396,746
Changes Recognized for the Measurement Period:	
Service Cost	517,429
Interest on the total OPEB liability	1,102,423
Changes of assumptions	1,696,768
Benefit payments	(832,731)
Net Changes during July 1, 2018 to June 30, 2019	2,483,889
Balance at June 30, 2019 (measurement date)	$ 33,880,635

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.15 percent) or 1-percentage- point higher (4.15 percent) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (2.15%)	Current Discount Rate (3.15%)	Discount Rate + 1% (4.15%)
$ 39,461,040	$ 33,880,635	$ 29,332,290

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

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

Plan's Total OPEB Liability		
-1%	Healthcare Cost Trend Rates	+ 1%
$ 28,598,768	$ 33,880,635	$ 40,456,559

Note 10 – Other Postemployment Benefits (Continued)

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

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of $1,864,757. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Changes of assumptions	$ 1,074,067	$ -
Total	$ 1,074,067	$ -

As of June 30, 2019, the City's OPEB Plan did not hold assets or have a Fiduciary Net Position. If the Plan did have assets, however, the Plan's policy is to amortize the difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 5 years, which was determined as of June 30, 2018, 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 related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2020	$ 244,905
2021	244,905
2022	244,905
2023	339,352
2024	-
Thereafter	-
	$ 1,074,067

Note 11 – Joint Powers Agreement – Calexico Special Financing Authority

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

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

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

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

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

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

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

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

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

Note 12 – Commitments and Contingencies

A. Litigation

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

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, 2019 with an estimated cost to complete of approximately $17,534,827 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 outstand District bonds.

During the year ended June 30, 2019, the City paid $298,909 to the District under the terms of this Agreement.

Note 13 – Deferred Compensation Plan

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

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

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

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

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

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

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

At June 30, 2019, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of $(44,751,201).

At June 30, 2019, the following funds had a fund balances (deficit) or net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

Fund	Fund Type	Deficit
General Fund	General Fund	$ 263,726
El Portal	Special Revenue Fund	1,168
DIF - Fire	Special Revenue Fund	151,335
Workers Compensation	Internal Service Fund	922,308
General Liability	Internal Service Fund	228,905
Successor Agency to the Calexico Community Redevelopment Agency	Private Purpose Trust Fund	15,333,384

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2019, expenditures exceeded appropriations in the following functions of the General Fund:

Fund	Function	Excess Expenditures
General Fund	General government	$ 59,827
General Fund	Public safety: Fire	230,466
General Fund	Community development	101,052
General Fund	Contribution to CFD 2013-1	24,909

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds* as of June 30, 2019 as follows:

	Major Funds					
	General Fund	LTA Measure D Special Revenue Fund	LTA Measure D Capital Projects Fund	Measure H Capital Projects Fund	Other Governmental Funds	Total
Non-spendable:						
Inventories and prepaid items	$ 57,308	$ -	$ -	$ -	$ -	$ 57,308
Total non-spendable	57,308	-	-	-	-	57,308
Restricted:						
LTA Measure D	-	8,833,832	-	-	-	8,833,832
Debt service payments	-	-	-	-	3,011,749	3,011,749
Public works	-	-	-	-	3,491,301	3,491,301
Culture and recreation	-	-	-	-	84,203	84,203
Housing	-	-	-	-	4,675,239	4,675,239
Capital projects	-	-	12,952,222	6,767,806	8,732,388	28,452,416
Total restricted	-	8,833,832	12,952,222	6,767,806	19,994,880	48,548,740
Unassigned (deficit)	(321,034)	-	-	-	(152,503)	(473,537)
Total unassigned	(321,034)	-		-	(152,503)	(473,537)
Total fund balances	$ (263,726)	$ 8,833,832	$ 12,952,222	$ 6,767,806	$ 19,842,377	$48,132,511

Note 17 – Financial Condition of the General Fund

The City's General Fund Balance Sheet reports a deficit fund balance of $263,726 at June 30, 2019.

For financial reporting purposes, the scope of activities reported as the City's General Fund includes the Measure H 1% transaction tax program. Governmental accounting standards require the City's financial statements to consolidate unrestricted programs such as Measure H with the General Fund to present to readers the full scope of discretionary resources. Although the Measure H program is guided by a citizen's advisory committee, revenues are unrestricted and the City Council retains overall discretion over program expenditures. Accordingly, the General Fund revenues, expenditures, and ending fund balance reported in these financial statements are inclusive of the Measure H program.

The General Fund's Fund Balance was fully depleted during the 2014-15 fiscal year. During 2014-15, General Fund expenditures exceeded revenues and transfers by $4.1 million; fund balance was drawn; and the Fund reported a year-end deficit of $114,972 as of June 30, 2015. Further, during 2015-16, expenditures continued to outpace available revenues. Expenditures exceed revenues and transfers by $3.9 million during 2015-16, increasing the fund deficit to $4.0 million at June 2016.

To address its accumulated projected deficit through June 2016, the City Council adopted a capital lease financing program in which the City's Wastewater program advanced $3.5 million to the General Fund. The terms of the advance include a 2% interest rate and a five- year repayment schedule. During the year ended June 30, 2019, the General Fund repaid the third of five installments of this advance and owes a remaining balance of $1,441,715. Over a three-year period, the General Fund deficit has been improved from a $4,042,181 deficit at June 30, 2016 to the current $263,726 deficit at June 30, 2019.

Note 17 – Financial Condition of the General Fund (Continued)

On June 27, 2019, the City adopted a General Fund budget for the 2019-20 fiscal year which includes the fourth installment repayment of its advance from the Wastewater Fund. The City remains focused on addressing its long-term financial stability through budget monitoring and adjustment efforts to ensure that expenditures are controlled within available revenues.

Note 18 – Subsequent Events

A. Successor Agency 2020 Refinancing 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 bonds carry interest rates ranging from 1.9% to 3.2% and mature in 2030.

B. COVID-19

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be reasonably estimated at this time.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited).

City of Calexico
Required Supplementary Information (Unaudited)
Notes to the Budgetary Information
For the Year Ended June 30, 2019

Note 1 – Budgetary Information

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for governmental funds. 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 a General Fund department, or within a non-General Fund fund. Budget amendments to a total General Fund department budget, non-General Fund fund budget, or a capital project require City Council approval.

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

The adopted budget of the City is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America, with one exception. The City includes in its General Fund budget the annual principal repayment of its long-term advance from the Wastewater Fund to reflect the full allocation of available revenues necessary to cover this debt service obligation. Consequently, the following non-GGAAP adjustments were made to budgetary basis expenditures to provide a meaningful budget comparison.

	Total Expenditures
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 16,609,860
Principal Payment on Wastewater Advance	699,726
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	$ 17,309,586

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities. The commitments will be re-appropriated and honored in the subsequent year.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts					
	General Fund Original	Measure H Fund Original	Original Total	Final	Actual Amounts	Variance with Final Budget
REVENUES:						
Property taxes	$ 2,285,000	$ -	$ 2,285,000	$ 2,385,000	$ 2,431,880	$ 46,880
Other taxes:						
Other taxes	5,333,352	-	5,333,352	5,369,352	5,403,546	34,194
Measure H sales tax	-	2,526,000	2,526,000	2,551,000	2,911,281	360,281
Total other taxes	5,333,352	2,526,000	7,859,352	7,859,352	8,314,827	455,475
Licenses, permits and fees	1,561,805	-	1,561,805	1,311,805	1,813,977	502,172
Intergovernmental	3,291,000	-	3,291,000	3,166,000	3,197,164	31,164
Charges for services	3,240,150	-	3,240,150	2,005,150	2,014,061	8,911
Fines and forfeitures	245,000	-	245,000	245,000	288,651	43,651
Use of money and property	580,000	-	580,000	520,000	472,248	(47,752)
Other revenues	-	-	-	-	8,135	8,135
Total revenues	16,536,307	2,526,000	19,062,307	17,553,307	18,540,943	987,636
EXPENDITURES:						
Current:						
General government	3,226,356	-	3,226,356	3,459,444	3,519,271	(59,827)
Public safety:						
Police	4,700,821	850,000	5,550,821	5,669,007	5,608,510	60,497
Fire	3,857,529	400,000	4,257,529	4,157,529	4,387,995	(230,466)
Total public safety	8,558,350	1,250,000	9,808,350	9,826,536	9,996,505	(169,969)
Public works	1,047,860	-	1,047,860	823,893	746,344	77,549
Culture and recreation	1,048,641	-	1,048,641	969,617	921,113	48,504
Community development	852,336	-	852,336	864,336	965,388	(101,052)
Housing	319,821	-	319,821	150,840	128,783	22,057
Contribution to CFD 2013-1	274,000	-	274,000	274,000	298,909	(24,909)
Budgetary basis to GAAP conversion - Principal payment on wastewater advance	699,726	-	699,726	699,726	699,726	-
Capital outlay	475,171	-	475,171	58,868	25,684	33,184
Debt service:						
Principal	-	-	-	-	4,400	(4,400)
Interest and fiscal charges	-	-	-	-	3,463	(3,463)
Total expenditures	16,502,261	1,250,000	17,752,261	17,127,260	17,309,586	(182,326)
REVENUES OVER (UNDER) EXPENDITURES	34,046	1,276,000	1,310,046	426,047	1,231,357	805,310
OTHER FINANCING SOURCES (USES):						
Transfers in	276,000	-	276,000	599,808	600,000	192
Transfers out	(34,000)	(1,000,000)	(1,034,000)	(1,025,000)	(1,020,517)	4,483
Total other financing sources (uses)	242,000	(1,000,000)	(758,000)	(425,192)	(420,517)	4,675
Net changes in fund balance	276,046	276,000	552,046	855	810,840	809,985
Budgetary basis to GAAP conversion - Principal payment on wastewater advance	699,726	-	699,726	699,726	699,726	-
Net changes in fund balance, after budgetary conversion	$ 975,772	$ 276,000	$ 1,251,772	$ 700,581	1,510,566	$ 809,985
FUND BALANCE:						
Beginning of year					(1,774,292)	
End of year					$ (263,726)	

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – LTA Measure D Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	$ 1,200,000	$ 1,200,000	$ 694,878	$ (505,122)
Use of money and property	10,000	10,000	162,478	152,478
Total revenues	1,210,000	1,210,000	857,356	(352,644)
EXPENDITURES:				
Capital outlay	3,948,240	8,323,240	2,936,843	5,386,397
Total expenditures	3,948,240	8,323,240	2,936,843	5,386,397
Net changes in fund balance	$ (2,738,240)	$ (7,113,240)	(2,079,487)	$ 5,033,753
FUND BALANCE:				
Beginning of year			10,913,319	
End of year			$ 8,833,832	

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, 2019

Miscellaneous Plan

Measurement period, year ended	6/30/2018	6/30/2017	6/30/2016*
Plan's proportion of the net pension liability	0.1205049%	0.1152051%	0.1187121%
Plan's proportionate share of the net pension liability	$ 11,612,169	$ 11,772,982	$ 11,772,982
Plan's covered-employee payroll	$ 5,280,506	$ 5,126,704	$ 4,977,383
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	219.91%	229.64%	236.53%
Plan's fiduciary net position	$ 39,627,144	$ 38,307,558	$ 35,624,733
Plan's fiduciary net position as a percentage of the total pension liability	77.34%	76.49%	75.16%
Plan's proportionate share of aggregate employer contributions	$ 687,419	$ 467,363	$ 438,015

Notes to Schedule:

Changes in assumptions In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years
For the Year Ended June 30, 2019

Safety Plan

Measurement period, year ended	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014 [1]
Plan's proportion of the net pension liability	0.146625%	0.144796%	0.144796%	0.151039%	0.159430%
Plan's proportionate share of the net pension liability	$ 14,129,130	$ 14,359,822	$ 12,862,930	$ 10,367,155	$ 9,920,642
Plan's covered-employee payroll	$ 4,176,782	$ 4,055,128	$ 3,937,017	$ 4,423,592	$ 4,864,763
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	338.28%	354.12%	326.72%	234.36%	203.93%
Plan's fiduciary net position	$ 39,609,126	$ 37,100,280	$ 34,521,294	$ 36,372,416	$ 35,281,244
Plan's fiduciary net position as a percentage of the total pension liability	73.71%	72.10%	72.85%	77.82%	78.05%
Plan's proportionate share of aggregate employer contributions	$ 1,523,035	$ 1,466,631	$ 1,385,061	$ 1,275,182	$ 1,305,223

Notes to Schedule:

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

[1] Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Last Ten Years
For the Year Ended June 30, 2019

City Miscellaneous Plan

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

Notes to Schedule:

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

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions
Last Ten Years
For the Year Ended June 30, 2019

Miscellaneous Plan

Fiscal year	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 [1]
Contractually determined contribution (actuarially determined)	$ 895,434	$ 687,419	$ 467,363	$ 438,015	$ 389,770	$ 344,145
Contributions in relation to the actuarially determined contributions [2]	(895,434)	(687,419)	(467,363)	(438,015)	(389,770)	(344,145)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 5,438,921	$ 5,280,506	$ 5,126,704	$ 4,977,383	$ 5,315,723	$ 5,851,522
Contributions as a percentage of covered-employee payroll	16.46%	13.02%	9.12%	8.80%	7.33%	5.88%

[1] Historical information is presented only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

Notes to Schedule

Valuation date: 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2015 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

City of Calexico
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions (Continued)
Last Ten Years
For the Year Ended June 30, 2019

Safety Plan

Fiscal year	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 [1]
Contractually determined contribution (actuarially determined)	$ 1,249,931	$ 1,523,035	$ 1,466,631	$ 1,385,061	$ 1,275,182	$ 1,305,223
Contributions in relation to the actuarially determined contributions [2]	(1,249,931)	(1,523,035)	(1,466,631)	(1,385,061)	(1,275,182)	(1,305,223)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 4,302,084	$ 4,176,781	$ 4,055,128	$ 3,937,017	$ 4,423,592	$ 4,864,763
Contributions as a percentage of covered-employee payroll [3]	29.05%	36.46%	36.17%	35.18%	28.83%	26.83%

[1] Historical information is presented only for measurement periods for which GASB 68 is applicable.

[2] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

Notes to Schedule

Valuation date: 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2015 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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, 2019

Measurement period, year ending:	6/30/2019	6/30/2018
Total OPEB liability		
Service cost	$ 517,429	$ 515,161
Interest	1,102,423	1,060,772
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	1,696,768	(472,245)
Benefit payments, including refunds of member contributions	(832,731)	(781,907)
Net change in total OPEB liability	2,483,889	321,781
Total OPEB liability - beginning	31,396,746	31,074,965
Total OPEB liability - ending (a)	$ 33,880,635	$ 31,396,746
OPEB fiduciary net position		
Contributions - employer	$ 832,731	$ 781,907
Net investment income	-	-
Benefit payments, including refunds of member contributions	(832,731)	(781,907)
Administrative expense	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	-	-
Plan net OPEB liability - ending (a) - (b)	$ 33,880,635	$ 31,396,746
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered-employee payroll	$ 9,741,006	$ 9,457,287
Plan net OPEB liability as a percentage of covered-employee payroll	347.81%	331.98%

[1] Ten year historical information is not available.

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

City of Calexico
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Special Revenue					
	Library Grant	Community Donations	Art in Public Places	Cannabis Permits	El Portal	Gas Tax
ASSETS						
Cash and investments	$ 14,265	$ 89,515	$ 121,482	$ 42,482	$ -	$ 1,582,590
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	14,522	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	2	-	-	-	-
Total assets	$ 14,265	$ 89,517	$ 121,482	$ 42,482	$ 14,522	$ 1,582,590
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ 5,101	$ 14,478	$ 2,064	$ 7,373	$ 1,168	$ 59,703
Accrued payroll	-	-	-	-	-	16,137
Due to other funds	-	-	-	-	14,522	-
Deposits payable	-	-	-	35,109	-	-
Total liabilities	5,101	14,478	2,064	42,482	15,690	75,840
Fund Balances:						
Restricted	9,164	75,039	119,418	-	-	1,506,750
Unassigned (deficit)	-	-	-	-	(1,168)	-
Total fund balances	9,164	75,039	119,418	-	(1,168)	1,506,750
Total liabilities and fund balances	$ 14,265	$ 89,517	$ 121,482	$ 42,482	$ 14,522	$ 1,582,590

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2019

	Special Revenue					
	Road Maintenance Rehabilitation	LTF Article 3	TDA	Asset Forfeiture	Prop 172 Public Safety Sales Tax	State COPS Grant
ASSETS						
Cash and investments	$ 296,789	$ 365,240	$ 72,629	$ -	$ -	$ -
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	134,837	-	-	-	322,293	155,152
Due from other funds	-	-	-	-	-	-
Total assets	$ 431,626	$ 365,240	$ 72,629	$ -	$ 322,293	$ 155,152
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ 73,825	$ -	$ 35	$ -	$ 6,207	$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	316,086	155,152
Deposits payable	-	-	-	-	-	-
Total liabilities	73,825	-	35	-	322,293	155,152
Fund Balances:						
Restricted	357,801	365,240	72,594	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	357,801	365,240	72,594	-	-	-
Total liabilities and fund balances	$ 431,626	$ 365,240	$ 72,629	$ -	$ 322,293	$ 155,152

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2019

	Special Revenue					
	Operation Stonegarden	HIDTA	Bravo-Victoria Eastside Village Assessment	Other Operating Grants	IVECA	General Plan Update
ASSETS						
Cash and investments	$ -	$ -	$ 912,303	$ -	$ -	$ 8,363
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	15,298	-
Intergovernmental	-	3,638	587	25,679	-	-
Due from other funds	-	-	-	-	-	-
Total assets	$ -	$ 3,638	$ 912,890	$ 25,679	$ 15,298	$ 8,363
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ 2,102	$ 12,000	$ -	$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	3,638	-	13,679	15,298	-
Deposits payable	-	-	-	-	-	-
Total liabilities	-	3,638	2,102	25,679	15,298	-
Fund Balances:						
Restricted	-	-	910,788	-	-	8,363
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	-	-	910,788	-	-	8,363
Total liabilities and fund balances	$ -	$ 3,638	$ 912,890	$ 25,679	$ 15,298	$ 8,363

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2019

	Special Revenue					
	Solid Waste	Business Improvement District	Federal HOME Grant Fund	Successor Housing	State CalHOME Grant	Federal CDBG Grant
ASSETS						
Cash and investments	$ 405,312	$ 55,094	$ 546,780	$ 1,998,565	$ 13,100	$ 2,176,405
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	1,500	200	-	4,579
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	$ 405,312	$ 55,094	$ 548,280	$ 1,998,765	$ 13,100	$ 2,180,984
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ 310,059	$ -	$ 16,574	$ 141	$ -	$ 59,780
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Total liabilities	310,059	-	16,574	141	-	59,780
Fund Balances:						
Restricted	95,253	55,094	531,706	1,998,624	13,100	2,121,204
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	95,253	55,094	531,706	1,998,624	13,100	2,121,204
Total liabilities and fund balances	$ 405,312	$ 55,094	$ 548,280	$ 1,998,765	$ 13,100	$ 2,180,984

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2019

	Special Revenue	Debt Service		Capital Projects		
	Local Housing Programs	Measure H Debt Service	Measure D Debt Service	General Capital Projects	DIF - Libraries	DIF - Parks/ Recreation
ASSETS						
Cash and investments	$ 5,129	$ -	$ -	$ 290,177	$ 235,959	$ 647,751
Cash and investments with fiscal agents	-	1,000,359	2,011,390	-	-	-
Receivables:						
Accounts	5,476	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	-	-	1,970,260	-	-
Total assets	$ 10,605	$ 1,000,359	$ 2,011,390	$ 2,260,437	$ 235,959	$ 647,751
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balances:						
Restricted	10,605	1,000,359	2,011,390	2,260,437	235,959	647,751
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	10,605	1,000,359	2,011,390	2,260,437	235,959	647,751
Total liabilities and fund balances	$ 10,605	$ 1,000,359	$ 2,011,390	$ 2,260,437	$ 235,959	$ 647,751

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2019

	Capital Projects					
	DIF - Parking	DIF - General Government	DIF - Traffic	DIF - Police	DIF - Fire	Cole Road Improvements
ASSETS						
Cash and investments	$ 259,984	$ 332,937	$ 1,783,740	$ 123,380	$ -	$ 1,561,904
Cash and investments with fiscal agents	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	-	-	151,335	-	-
Total assets	$ 259,984	$ 332,937	$ 1,783,740	$ 274,715	$ -	$ 1,561,904
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	151,335	-
Deposits payable	-	-	-	-	-	-
Total liabilities	-	-	-	-	151,335	-
Fund Balances:						
Restricted	259,984	332,937	1,783,740	274,715	-	1,561,904
Unassigned (deficit)	-	-	-	-	(151,335)	-
Total fund balances	259,984	332,937	1,783,740	274,715	(151,335)	1,561,904
Total liabilities and fund balances	$ 259,984	$ 332,937	$ 1,783,740	$ 274,715	$ -	$ 1,561,904

(Continued)

City of Calexico
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2019

	Capital Projects				
	Northwest Area Development	East Area Facilities Plan	Corsair, LLC	New River Grants	Other Governmental Funds
ASSETS					
Cash and investments	$ 456,182	$ 918,779	$ -	$ -	$ 15,316,836
Cash and investments with fiscal agents	-	-	-	-	3,011,749
Receivables:					
Accounts	-	-	335,021	-	376,596
Intergovernmental	-	-	-	45,898	688,084
Due from other funds	-	-	-	-	2,121,597
Total assets	$ 456,182	$ 918,779	$ 335,021	$ 45,898	$ 21,514,862
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 2,590	$ 573,200
Accrued payroll	-	-	-	-	16,137
Due to other funds	-	-	335,021	43,308	1,048,039
Deposits payable	-	-	-	-	35,109
Total liabilities	-	-	335,021	45,898	1,672,485
Fund Balances:					
Restricted	456,182	918,779	-	-	19,994,880
Unassigned (deficit)	-	-	-	-	(152,503)
Total fund balances	456,182	918,779	-	-	19,842,377
Total liabilities and fund balances	$ 456,182	$ 918,779	$ 335,021	$ 45,898	$ 21,514,862

(Concluded)

City of Calexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue					
	Library Grant	Community Donations	Art in Public Places	Cannabis Permits	El Portal	Gas Tax
REVENUES:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	33,800	-	-	-	-	786,468
Charges for services	-	-	58,610	3,545	54,988	-
Use of money and property	-	-	2,281	-	-	29,712
Other revenues	-	65,369	-	-	-	-
Total revenues	33,800	65,369	60,891	3,545	54,988	816,180
EXPENDITURES:						
Current:						
General government	-	-	-	3,545	56,156	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	904,922
Culture and recreation	24,636	123,567	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	18,901	-	-	22,961
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	24,636	123,567	18,901	3,545	56,156	927,883
REVENUES OVER (UNDER) EXPENDITURES	9,164	(58,198)	41,990	-	(1,168)	(111,703)
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	9,164	(58,198)	41,990	-	(1,168)	(111,703)
FUND BALANCES:						
Beginning of year	-	133,237	77,428	-	-	1,618,453
End of year	$ 9,164	$ 75,039	$ 119,418	$ -	$ (1,168)	$ 1,506,750

(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, 2019

	Special Revenue					
	Road Maintenance Rehabilitation	LTF Article 3	TDA	Asset Forfeiture	Prop 172 Public Safety Sales Tax	State COPS Grant
REVENUES:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	801,976	-	-	-	182,292	155,152
Charges for services	-	-	-	-	-	-
Use of money and property	5,572	6,841	1,805	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	807,548	6,841	1,805	-	182,292	155,152
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	182,292	155,152
Public works	-	-	24,184	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	691,305	17,291	12,491	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	691,305	17,291	36,675	-	182,292	155,152
REVENUES OVER (UNDER) EXPENDITURES	116,243	(10,450)	(34,870)	-	-	-
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	116,243	(10,450)	(34,870)	-	-	-
FUND BALANCES:						
Beginning of year	241,558	375,690	107,464	-	-	-
End of year	$ 357,801	$ 365,240	$ 72,594	$ -	$ -	$ -

(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, 2019

	Special Revenue					
	Operation Stonegarden	HIDTA	Bravo-Victoria Eastside Village Assessment	Other Operating Grants	IVECA	General Plan Update
REVENUES:						
Other taxes	$ -	$ -	$ -	$ -	$ 100,068	$ -
Intergovernmental	3,877	14,148	-	247,525	-	-
Charges for services	-	-	167,890	-	-	-
Use of money and property	-	-	17,128	-	-	157
Other revenues	-	-	-	-	-	-
Total revenues	3,877	14,148	185,018	247,525	100,068	157
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	3,877	14,148	-	247,525	124,000	-
Public works	-	-	68,702	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,877	14,148	68,702	247,525	124,000	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	116,316	-	(23,932)	157
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	23,932	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	23,932	-
Net change in fund balances	-	-	116,316	-	-	157
FUND BALANCES:						
Beginning of year	-	-	794,472	-	-	8,206
End of year	$ -	$ -	$ 910,788	$ -	$ -	$ 8,363

(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, 2019

	Special Revenue					
	Solid Waste	Business Improvement District	Federal HOME Grant Fund	Successor Housing	State CalHOME Grant	Federal CDBG Grant
REVENUES:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	670	45,151	-	-	285,394
Charges for services	1,987,774	-	7,773	-	-	-
Use of money and property	13,025	1,034	-	52,767	246	-
Other revenues	-	-	-	-	-	-
Total revenues	2,000,799	1,704	52,924	52,767	246	285,394
EXPENDITURES:						
Current:						
General government	-	13,712	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	1,943,238	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	-	-	2,574	5,090	-	9,219
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	1,943,238	13,712	2,574	5,090	-	9,219
REVENUES OVER (UNDER) EXPENDITURES	57,561	(12,008)	50,350	47,677	246	276,175
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(600,000)	-	-	-	-	-
Total other financing sources (uses)	(600,000)	-	-	-	-	-
Net change in fund balances	(542,439)	(12,008)	50,350	47,677	246	276,175
FUND BALANCES:						
Beginning of year	637,692	67,102	481,356	1,950,947	12,854	1,845,029
End of year	$ 95,253	$ 55,094	$ 531,706	$ 1,998,624	$ 13,100	$ 2,121,204

(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, 2019

	Special Revenue	Debt Service		Capital Projects		
	Local Housing Programs	Measure H Debt Service	Measure D Debt Service	General Capital Projects	DIF - Libraries	DIF - Parks/ Recreation
REVENUES:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	1,864,901	28,990	-	-
Charges for services	4,000	-	-	-	84,553	174,827
Use of money and property	61,046	3,108	57,716	41,900	4,430	12,169
Other revenues	-	-	-	-	-	-
Total revenues	65,046	3,108	1,922,617	70,890	88,983	186,996
EXPENDITURES:						
Current:						
General government	-	4,620	2,248	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing	2,342	-	-	-	-	-
Capital outlay	-	-	-	120,502	-	10,351
Debt service:						
Principal	-	585,000	965,000	-	-	-
Interest and fiscal charges	-	408,600	1,178,074	-	-	-
Total expenditures	2,342	998,220	2,145,322	120,502	-	10,351
REVENUES OVER (UNDER) EXPENDITURES	62,704	(995,112)	(222,705)	(49,612)	88,983	176,645
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long-term debt	-	-	13,127,207	120,502	-	-
Transfers in	-	996,585	-	-	-	-
Transfers out	-	-	(12,831,115)	-	-	-
Total other financing sources (uses)	-	996,585	296,092	120,502	-	-
Net change in fund balances	62,704	1,473	73,387	70,890	88,983	176,645
FUND BALANCES:						
Beginning of year	(52,099)	998,886	1,938,003	2,189,547	146,976	471,106
End of year	$ 10,605	$ 1,000,359	$ 2,011,390	$ 2,260,437	$ 235,959	$ 647,751

(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, 2019

	Capital Projects					
	DIF - Parking	DIF - General Government	DIF - Traffic	DIF - Police	DIF - Fire	Cole Road Improvements
REVENUES:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	10,131	87,728	81,202	84,518	-
Use of money and property	4,881	6,251	33,489	5,158	-	29,324
Other revenues	-	-	-	-	-	-
Total revenues	4,881	16,382	121,217	86,360	84,518	29,324
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	4,881	16,382	121,217	86,360	84,518	29,324
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	4,881	16,382	121,217	86,360	84,518	29,324
FUND BALANCES:						
Beginning of year	255,103	316,555	1,662,523	188,355	(235,853)	1,532,580
End of year	$ 259,984	$ 332,937	$ 1,783,740	$ 274,715	$ (151,335)	$ 1,561,904

(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, 2019

	Capital Projects				
	Northwest Area Development	East Area Facilities Plan	Corsair, LLC	New River Grants	Other Governmental Funds
REVENUES:					
Other taxes	$ -	$ -	$ -	$ -	$ 100,068
Intergovernmental	-	-	-	5,590	4,455,934
Charges for services	-	-	-	-	2,807,539
Use of money and property	8,565	17,250	-	-	415,855
Other revenues	-	-	-	-	65,369
Total revenues	8,565	17,250	-	5,590	7,844,765
EXPENDITURES:					
Current:					
General government	-	-	-	-	80,281
Public safety	-	-	-	-	726,994
Public works	76,097	-	547	-	3,017,690
Culture and recreation	-	-	-	-	148,203
Housing	-	-	-	-	19,225
Capital outlay	-	-	-	5,590	899,392
Debt service:					
Principal	-	-	-	-	1,550,000
Interest and fiscal charges	-	-	-	-	1,586,674
Total expenditures	76,097	-	547	5,590	8,028,459
REVENUES OVER (UNDER) EXPENDITURES	(67,532)	17,250	(547)	-	(183,694)
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of long-term debt	-	-	-	-	13,247,709
Transfers in	-	-	-	-	1,020,517
Transfers out	-	-	-	-	(13,431,115)
Total other financing sources (uses)	-	-	-	-	837,111
Net change in fund balances	(67,532)	17,250	(547)	-	653,417
FUND BALANCES:					
Beginning of year	523,714	901,529	547	-	19,188,960
End of year	$ 456,182	$ 918,779	$ -	$ -	$ 19,842,377

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INTERNAL SERVICE FUNDS

City of Calexico
Statement of Net Position
All Internal Service Funds
June 30, 2019

	Payroll	Medical Active	Medical Retirees	Workers' Compensation
ASSETS				
Current assets:				
Cash and investments	$ -	$ 184,235	$ -	$ 247,997
Accounts receivable, net	-	42,956	194,826	-
Intergovernmental receivable	38,067	-	-	13,540
Due from other funds	-	-	-	675,570
Deposits	-	-	-	125,000
Inventories and prepaid items	-	-	-	-
Total current assets	38,067	227,191	194,826	1,062,107
Total assets	38,067	227,191	194,826	1,062,107
LIABILITIES				
Current liabilities:				
Accounts payable	-	59,771	46,190	38,229
Interest payable	-	-	-	15,940
Due to other funds	38,067	-	35,334	-
Claims payable - due within one year	-	-	-	639,424
Long-term debt - due within one year	-	-	-	248,854
Total current liabilities	38,067	59,771	81,524	942,447
Noncurrent liabilities:				
Claims payable - due in more than one year	-	-	-	960,576
Long term debt - due in more than one year	-	-	-	81,392
Total noncurrent liabilities	-	-	-	1,041,968
Total liabilities	38,067	59,771	81,524	1,984,415
NET POSITION				
Unrestricted (deficit)	-	167,420	113,302	(922,308)
Total net position	$ -	$ 167,420	$ 113,302	$ (922,308)

(Continued)

City of Calexico
Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2019

	General Liability	Unemployment Insurance	Total
ASSETS			
Current assets:			
Cash and investments	$ 268,154	$ 7,656	$ 708,042
Accounts receivable, net	-	-	237,782
Intergovernmental receivable	-	-	51,607
Due from other funds	757,567	-	1,433,137
Deposits	50,000	-	175,000
Inventories and prepaid items	1,832	-	1,832
Total current assets	1,077,553	7,656	2,607,400
Total assets	1,077,553	7,656	2,607,400
LIABILITIES			
Current liabilities:			
Accounts payable	33,170	6,704	184,064
Interest payable	15,101	-	31,041
Due to other funds	-	-	73,401
Claims payable - due within one year	397,060	-	1,036,484
Long-term debt - due within one year	353,883	-	602,737
Total current liabilities	799,214	6,704	1,927,727
Noncurrent liabilities:			
Claims payable - due in more than one year	166,940	-	1,127,516
Long term debt - due in more than one year	340,304	-	421,696
Total noncurrent liabilities	507,244	-	1,549,212
Total liabilities	1,306,458	6,704	3,476,939
NET POSITION			
Unrestricted (deficit)	(228,905)	952	(869,539)
Total net position	$ (228,905)	$ 952	$ (869,539)

(Concluded)

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2019

	Payroll	Medical Active	Medical Retirees	Workers' Compensation
OPERATING REVENUES:				
Charges for services	$ -	$ 2,048,990	$ 730,000	$ 1,530,654
Other revenue	-	13,396	58,200	-
Total operating revenues	-	2,062,386	788,200	1,530,654
OPERATING EXPENSES:				
Material, supplies, and operational expenses	-	40,252	-	-
Insurance	-	-	-	58,062
Claim payments (reserves)	-	1,422,447	499,475	688,307
Claims administration	-	496,955	176,269	100,961
Total operating expenses	-	1,959,654	675,744	847,330
OPERATING INCOME (LOSS)	-	102,732	112,456	683,324
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	-	-	-	15,513
Interest expense	-	-	-	(15,940)
Total nonoperating revenues (expenses)	-	-	-	(427)
INCOME (LOSS) BEFORE TRANSFERS	-	102,732	112,456	682,897
TRANSFERS:				
Transfers in	-	59,000	-	-
Transfers out	-	-	-	-
Total transfers	-	59,000	-	-
Changes in net position	-	161,732	112,456	682,897
NET POSITION:				
Beginning of year	-	5,688	846	(1,605,205)
End of year	$ -	$ 167,420	$ 113,302	$ (922,308)

(Continued)

City of Calexico
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2019

	General Liability	Unemployment Insurance	Total
OPERATING REVENUES:			
Charges for services	$ 1,449,931	$ 92,757	$ 5,852,332
Other revenue	-	-	71,596
Total operating revenues	1,449,931	92,757	5,923,928
OPERATING EXPENSES:			
Material, supplies, and operational expenses	-	-	40,252
Insurance	289,691	-	347,753
Claim payments (reserves)	(245,000)	35,978	2,401,207
Claims administration	48,228	-	822,413
Total operating expenses	92,919	35,978	3,611,625
OPERATING INCOME (LOSS)	1,357,012	56,779	2,312,303
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	15,731	588	31,832
Interest expense	(15,101)	-	(31,041)
Total nonoperating revenues (expenses)	630	588	791
INCOME (LOSS) BEFORE TRANSFERS	1,357,642	57,367	2,313,094
TRANSFERS:			
Transfers in	-	-	59,000
Transfers out	-	(59,000)	(59,000)
Total transfers	-	(59,000)	-
Changes in net position	1,357,642	(1,633)	2,313,094
NET POSITION:			
Beginning of year	(1,586,547)	2,585	(3,182,633)
End of year	$ (228,905)	$ 952	$ (869,539)

(Concluded)

City of Calexico
Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2019

	Payroll	Medical Active	Medical Retirees	Workers Compensation
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from users	$ -	$ 2,025,574	$ 593,374	$ 1,530,654
Cash payments to suppliers for goods and services	-	(573,622)	(186,907)	(126,532)
Cash payments for claims and insurance	-	(1,422,447)	(499,475)	(712,369)
Net cash provided by (used in) operating activities	-	29,505	(93,008)	691,753
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental revenue (expense)	12,244	-	-	(13,540)
Principal paid on noncapital-related debt	-	-	-	(174,334)
Interest paid on noncapital-related debt	-	-	-	(10,782)
Interfund borrowing (lending)	-	-	35,334	-
Repayment of interfund borrowing (lending)	(12,244)	95,730	57,674	(260,613)
Transfers in	-	59,000	-	-
Transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	154,730	93,008	(459,269)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	-	-	-	15,513
Net cash provided by investing activities	-	-	-	15,513
Net increase in cash and cash equivalents	-	184,235	-	247,997
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	-	-	-
End of year	$ -	$ 184,235	$ -	$ 247,997

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2019

	General Liability	Unemployment Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	$ 1,449,931	$ 92,778	$ 5,692,311
Cash payments to suppliers for goods and services	(45,324)	-	(932,385)
Cash payments for claims and insurance	133,309	(32,106)	(2,533,088)
Net cash provided by (used in) operating activities	1,537,916	60,672	2,226,838
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue (expense)	-	-	(1,296)
Principal paid on noncapital-related debt	(847,425)	-	(1,021,759)
Interest paid on noncapital-related debt	(32,820)	-	(43,602)
Interfund borrowing (lending)	-	-	35,334
Repayment of interfund borrowing (lending)	(405,248)	-	(524,701)
Transfers in	-	-	59,000
Transfers out	-	(59,000)	(59,000)
Net cash provided by (used in) noncapital financing activities	(1,285,493)	(59,000)	(1,556,024)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	15,731	588	31,832
Net cash provided by investing activities	15,731	588	31,832
Net increase in cash and cash equivalents	268,154	2,260	702,646
CASH AND CASH EQUIVALENTS:			
Beginning of year	-	5,396	5,396
End of year	$ 268,154	$ 7,656	$ 708,042

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2019

	Payroll	Medical Active	Medical Retirees	Workers Compensation
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ -	$ 102,732	$ 112,456	$ 683,324
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable	-	(36,812)	(194,826)	-
Inventories and prepaid items	-	-	-	-
Accounts payable	-	(36,415)	(10,638)	(25,571)
Claims payable	-	-	-	34,000
Total adjustments	-	(73,227)	(205,464)	8,429
Net cash provided by (used in) operating activities	$ -	$ 29,505	$ (93,008)	$ 691,753

(Continued)

City of Calexico
Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2019

	General Liability	Unemployment Insurance	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ 1,357,012	$ 56,779	$ 2,312,303
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	-	21	(231,617)
Inventories and prepaid items	75,971	-	75,971
Accounts payable	(73,067)	3,872	(141,819)
Claims payable	178,000	-	212,000
Total adjustments	180,904	3,893	(85,465)
Net cash provided by (used in) operating activities	$ 1,537,916	$ 60,672	$ 2,226,838

(Concluded)

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ALL AGENCY FUNDS

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City of Calexico
Combining Statement of Fiduciary Net Position
All Agency Funds
June 30, 2019

	Corsair 2013-1 Gran Plaza CFD	Towncenter CFD	Hearthstone 2005-1 CFD	Venezia CFD	Total Agency Funds
ASSETS					
Cash and investments	$ 449,421	$ 8,304	$ 132,063	$ 21,933	$ 611,721
Cash and investments with fiscal agents	629,480	-	362,096	-	991,576
Accounts receivable	-	-	10,190	-	10,190
Total assets	$ 1,078,901	$ 8,304	$ 504,349	$ 21,933	$ 1,613,487
LIABILITIES					
Accounts payable	$ 2,124	$ -	$ 5,241	$ -	$ 7,365
Due to bondholders	1,076,777	8,304	499,108	21,933	1,606,122
Total liabilities	$ 1,078,901	$ 8,304	$ 504,349	$ 21,933	$ 1,613,487

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City of Calexico
Statement of Changes in Fiduciary Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Corsair 2013-1 Gran Plaza CFD				
Assets:				
Cash and investments	$ 401,034	$ 48,387	$ -	$ 449,421
Cash and investments with fiscal agent	616,427	13,053	-	629,480
Total assets	$ 1,017,461	$ 61,440	$ -	$ 1,078,901
Liabilities:				
Accounts payable	$ 3,057	$ -	$ (933)	$ 2,124
Due to bondholders	1,014,404	62,373	-	1,076,777
Total liabilities	$ 1,017,461	$ 62,373	$ (933)	$ 1,078,901

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Towncenter CFD				
Assets:				
Cash and investments	$ 11,268	$ 156	$ (3,120)	$ 8,304
Total assets	$ 11,268	$ 156	$ (3,120)	$ 8,304
Liabilities:				
Due to bondholders	$ 11,268	$ -	$ (2,964)	$ 8,304
Total liabilities	$ 11,268	$ -	$ (2,964)	$ 8,304

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Hearthstone 2005-1 CFD				
Assets:				
Cash and investments	$ 80,277	$ 51,786	$ -	$ 132,063
Cash and investments with fiscal agent	421,293	-	(59,197)	362,096
Accounts receivable	167,876	-	(157,686)	10,190
Total assets	$ 669,446	$ 51,786	$ (216,883)	$ 504,349
Liabilities:				
Accounts payable	$ 11,233	$ -	$ (5,992)	$ 5,241
Due to bondholders	658,213	-	(159,105)	499,108
Total liabilities	$ 669,446	$ -	$ (165,097)	$ 504,349

City of Calexico
Statement of Changes in Fiduciary Assets and Liabilities (Continued)
All Agency Funds
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Venezia CFD				
Assets:				
Cash and investments	$ 21,522	$ 411	$ -	$ 21,933
Total assets	$ 21,522	$ 411	$ -	$ 21,933
Liabilities:				
Due to bondholders	$ 21,522	$ 411	$ -	$ 21,933
Total liabilities	$ 21,522	$ 411	$ -	$ 21,933

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ALL AGENCY FUNDS				
Assets:				
Cash and investments	$ 514,101	$ 100,740	$ (3,120)	$ 611,721
Cash and investments with fiscal agent	1,037,720	13,053	(59,197)	991,576
Accounts receivable	167,876	-	(157,686)	10,190
Total assets	$ 1,719,697	$ 113,793	$ (220,003)	$ 1,613,487
Liabilities:				
Accounts payable	$ 14,290	$ -	$ (6,925)	$ 7,365
Due to bondholders	1,705,407	62,784	(162,069)	1,606,122
Total liabilities	$ 1,719,697	$ 62,784	$ (168,994)	$ 1,613,487