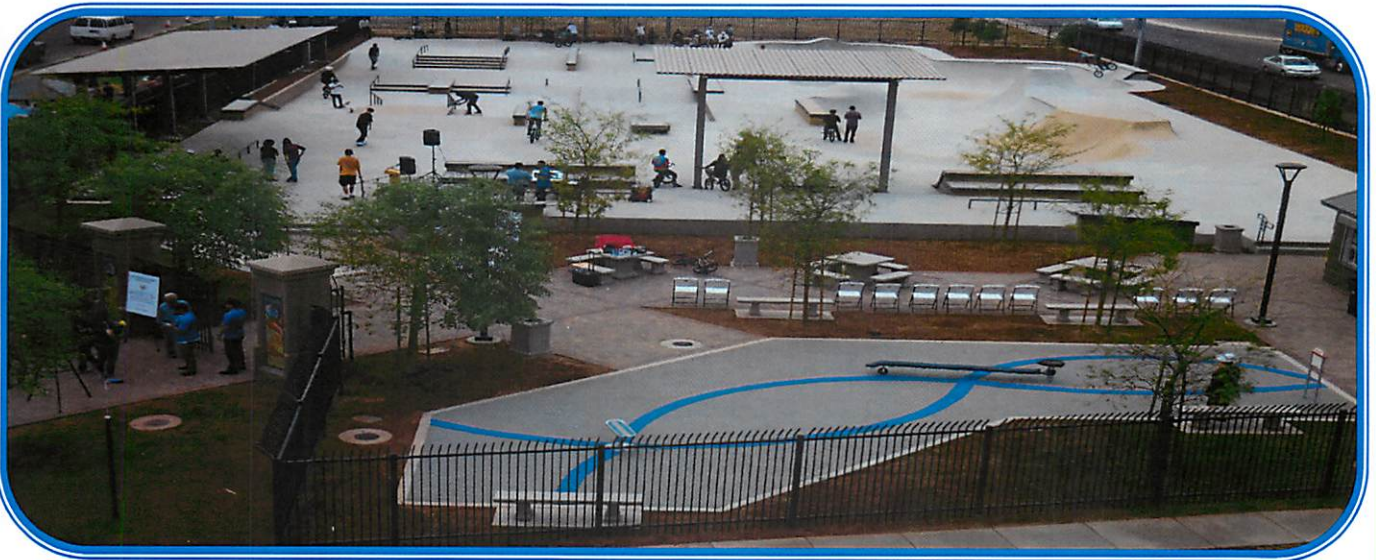




City of El Centro California

Comprehensive Annual Financial Report For The Year Ended June 30, 2015



City of El Centro, California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by the Finance Department

Leticia Salcido, Director

CITY OF EL CENTRO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	7
Organization Chart.....	8
Principal Officials	9

II. FINANCIAL SECTION

A. Independent Auditor’s Report	10
B. Management’s Discussion and Analysis	13
C. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	27
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30
Proprietary Funds:	
Statement of Net Position.....	31
Statement of Revenues, Expenses, and Changes in Net Position	32
Statement of Cash Flows	33
Fiduciary Funds:	
Statement of Fiduciary Net Position	34
Statement of Changes in Net Position – Private-Purpose Trust Fund.....	35
Notes to Basic Financial Statements	37
D. Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios – City Miscellaneous Plan	101
Schedule of Pension Contributions – City Miscellaneous Plan.....	102
Schedule of Proportionate Share of Net Pension Liability – City Safety Plan	103
Schedule of Pension Contributions – City Safety Plan.....	104
Schedule of Funding Progress – Other Postemployment Benefits	105
Schedule of Changes in Net Pension Liability and Related Ratios – Hospital Plan.....	106
Schedule of Pension Contributions – Hospital Plan	107
Note to Required Supplementary Information.....	108
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	110

COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued)

E. Other Supplemental Information

Nonmajor Governmental Funds	111
Combining Balance Sheet.....	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	124
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Gas Tax Special Revenue Fund	131
Bus Shelter Special Revenue Fund	132
Transportation Article 3 Special Revenue Fund	133
Home Program Special Revenue Fund	134
Rental Rehab-HUD Special Revenue Fund	135
Traffic Safety Special Revenue Fund	136
Home Program Income Admin Special Revenue Fund.....	137
Recreation Projects Special Revenue Fund	138
Wake Ave Extension Special Revenue Fund	139
Special Events Special Revenue Fund	140
Asset Forfeiture Special Revenue Fund.....	141
Local Transportation Authority Special Revenue Fund.....	142
Home Grants Special Revenue Fund	143
Cooperative Agreement Special Revenue Fund.....	144
State COPS SLESF Special Revenue Fund	145
Annexation Fees Special Revenue Fund	146
HUD Entitlement Special Revenue Fund.....	147
CDBG Program Income Special Revenue Fund	148
Housing Enabled by Local Partnership Special Revenue Fund	149
CALHOME Program Special Revenue Fund	150
Development Impact Fee Special Revenue Fund	151
FHWA Grants Special Revenue Fund	152
Soft Drink Franchise Special Revenue Fund.....	153
Library Assistance Special Revenue Fund.....	154
I-8 Imperial Ave Overpass Special Revenue Fund	155
EDA Revolving Special Revenue Fund.....	156
Police & Fire Operational Special Revenue Fund	157
Legacy Ranch Lighting and Landscaping District Special Revenue Fund	158
IV Commons Special Revenue Fund	159
Fire Mitigation Special Revenue Fund.....	160
IID Project Special Revenue Fund.....	161

CITY OF EL CENTRO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued)

E. Other Supplemental Information (Continued)

Nonmajor Governmental Funds (Continued)

Schedules of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual (Continued):

Police Grant Special Revenue Fund.....	162
Successor Agency Housing Special Revenue Fund.....	163
Orange Ave Regional Lift Capital Projects Fund	164
Park Development Capital Projects Fund	165
Drainage Facility Capital Projects Fund	166
Lotus Parallel Capital Projects Fund.....	167
IID Facility Crossing Capital Projects Fund	168
8 th Street Overpass Bridge Capital Projects Fund	169
Bridge/Road Improvement Capital Projects Fund	170
Federal Highway Administration Capital Projects Fund	171
Proposition 1B Capital Projects Fund.....	172
LA Brucherie Green Belt Capital Projects Fund.....	173
Colonia-El Dorado Special Revenue Fund	174
LTA Lease Revenue Bonds Capital Projects Fund.....	175
Buena Vista Landscaping and Lighting District Capital Projects Fund.....	176
Road Improvement Capital Projects Fund	177
2011C Bonds City Capital Projects Fund	178
LTA Lease Revenue Bonds Debt Service Fund.....	179
Nonmajor Proprietary Funds	181
Combining Statement of Net Position	182
Combining Statement of Revenues, Expenses, and Changes in Net Position	183
Combining Statement of Cash Flows	184
Internal Service Funds.....	185
Combining Statement of Net Position	186
Combining Statement of Revenues, Expenses, and Changes in Net Position	187
Combining Statement of Cash Flows	188

CITY OF EL CENTRO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS

II. FINANCIAL SECTION (Continued)

E. Other Supplemental Information (Continued)

Fiduciary Funds.....	189
Private-Purpose Trust Funds	
Combining Statement of Net Position	190
Combining Statement of Changes in Net Position	191
Agency Fund	
Statement of Changes in Assets and Liabilities.....	192

III. STATISTICAL SECTION

Statistical Section	193
Financial Trends Information	
Net Position by Component – 10 Years	194
Changes in Net Position – 10 Years	195
Fund Balances of Governmental Funds – 10 Years	197
Changes in Fund Balances of Governmental Funds – 10 Years	198
Revenue Capacity Information	
Property Ad Valorem Tax Assessed Values – 10 Years	199
Debt Capacity Information	
Direct and Overlapping Property Tax Rates – 10 Years	200
Principal Property Taxpayers	201
Property Tax Levies and Collections – 10 Years	202
Ratios of Outstanding Debt by Type – 10 Years.....	203
Ratios of General Bonded Debt Outstanding – 10 Years.....	204
Statement of Direct and Overlapping Debt – Current Year	205
Computation of Legal Debt Margin – 10 Years.....	206
Pledged-Revenue Coverage – 10 Years	207
Demographic and Economic Information	
Demographic and Economic Statistics – 10 Years.....	208
Principal Employers	209
Employees by Function (Full Time Equivalents) – 10 Years	210
Construction Activity and Bank Deposits	211
Operating Information	
Capital Assets Statistics by Function – 10 Years	212
Demands for City Services – 10 Years.....	213



INTRODUCTORY SECTION



December 10, 2015

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of El Centro:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of El Centro for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City of El Centro. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide reasonable basis for making these representations, management of the City of El Centro has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of El Centro's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City of El Centro's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of El Centro's financial statements have been audited by Moss, Levy & Hartzheim, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of El Centro for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of El Centro's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with U.S - GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of El Centro was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on

Finance Department

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internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of El Centro's separately issued Single Audit Report.

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

Profile of the Government

The City of El Centro is located in the southern part of the State, which is considered to be one of the fastest growth areas in the State. The City currently occupies a land area of approximately 11 square miles and serves a population of approximately 44,847. The City of El Centro is empowered by the State to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing Council.

The City was incorporated under the Laws of the State of California in 1908. However on November 3, 2009 voters approved measure G adopting a City Charter. Under the provisions of the charter, the City of El Centro has full authority over its own municipal affairs including; bidding and contracting procedures; regulation of parks; libraries; and other facilities; certain fees; imposition of taxes; municipal zoning; municipal utilities and municipal election procedures.

The City of El Centro operates under a Council-Manager form of Government. The City Council consists of five members elected by the residents of the City. Council terms are four years, elected in November of odd-numbered years. Each November, the City Council selects the Mayor from among its members for a one-year term. The Council is elected on an at large non-partisan basis.

The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney, and the City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City of El Centro provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities; and water and sewer services. Solid Waste collection and disposal is contracted out. The City of El Centro also is financially accountable for the El Centro Regional Medical Center (Hospital), which is reported within the Proprietary Funds of the City's financial statements. Additional information on the Hospital can be found in Note 1 and other various notes (Note 3, Note 4, Note 6, Note 7, Note 8, Note 9, Note 11, Note 12, Note 16 and Note 19 in the Notes to the Financial Statements and page 100 in the Required Supplementary Information section of the financial statements.

The Annual Budget serves as the foundation for the City of El Centro Financial Planning and Control. Prior to June 30 of each year the City Manager submits to the City Council a proposed operating budget for the Fiscal Year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted and prior to June 30, the budget is adopted by motion of the City Council. The appropriated budget is prepared by Fund, Function (e.g. Public Safety) and Department (e.g. Police). Department Heads may request transfers of appropriations within their departmental budgets. Transfers of appropriations between departments, however require the authorization of the City Manager. Any revision that increases the total appropriations of any fund must be approved by the City Council. The City maintains an encumbrance accounting system of purchase orders and contracts as a means of accomplishing budgetary control. Purchase orders are reviewed to ensure that funds are available and that requests are properly authorized prior to being released to vendors.

Budget-to-actual comparisons are provided in this report for each individual governmental fund, for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on Page 100 as part of the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

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

Local Economy

The County of Imperial consists of seven cities and an unincorporated area with a countywide population of approximately 183,429. The City of El Centro is the largest City in the County, with a population of approximately 44,847 (per Department of Finance). Among the many attributes that makes Imperial County attractive to both commercial and residential development is the abundance of inexpensive water, energy, and land. Additionally, the County serves as the Gateway to the United States for the City of Mexicali, Mexico, the capital of Baja California. Mexicali has a population in excess of 1,000,000 and a significant number of maquiladoras (A maquiladora is an assembly plant in Mexico, especially one along the border between the United States and Mexico, to which foreign materials and parts are shipped and from which the finished product is returned to the original market). These factors and others resulted in a discernible trend toward significant growth in both residential and commercial development.

This was the case during the three fiscal years of 2004-05, 2005-06 and 2006-07 when the City of El Centro experienced unprecedented growth in both commercial and residential development. A 766,333 square foot regional mall and a strip mall were built in the City. These two projects helped further diversify the City's economy and attracted residents of surrounding cities as well as from Mexicali, Mexico. Some of the major retailers included Macy's, Dillard's, BestBuy, Ross, Burlington Coat Factory, Marshall's, Michael's, Bed & Bath & Beyond, DSW, Kohl's, Kirklands, Ulta, Bev Mo and others.

The commercial development brought a substantial increase in retail opportunities to the City as well as an increase in sales and sales tax revenue during these years. The economic expansion slowed down during fiscal year 2008 and severely contracted during fiscal year 2010. During the period of economic contraction (FY 2008 to FY 2010), total revenues for the general fund declined by \$4.2 million (15%). Sales taxes which is the general fund's major revenue source declined by 22%. Other revenues sources that experienced major declines were building related fees, property taxes and interest earnings.

Revenues improved slightly in fiscal year 2011 but remained approximately \$2.8 million below the high of fiscal year 2007. In fiscal year 2012 total combined revenues for the general fund remained low as result of the continued slump in construction related revenues, decline in motor vehicle-in-lieu tax, low level of interest earnings, low level of property taxes and decline in other revenues. Total revenues for fiscal year 2013 have declined by approximately \$840,000 from the 2012 levels. The decline was in motor vehicle license fee (\$130,000) and sales tax compensation (\$823,000). In fiscal year 2014 total revenues increased by approximately \$1.1 million. The increase was mainly from revenues from other agencies. In fiscal year 2015 revenues were stable and remained at the same level as in fiscal year 2014.

In regards to construction activity, this revenue source also experienced a significant decline. For fiscal year 2009-10 single family building permits totaled 8 units. Four permits were issued in fiscal year 2011, 19 were issued in fiscal year 2012, 3 were issued in 2013 and 40 in fiscal year 2014. Building related fees totaled \$381,975 in fiscal year 2009-10, \$697,227 in fiscal year 2010-11, \$573,816 in fiscal year 2011-12, \$341,807 in fiscal year 2012-13, \$551,519 in fiscal year 2013-

14 and \$578,000 in fiscal year 2014-15.. This amount is significantly lower than in fiscal year 2007 and 2008 when the City received \$1.4 million and \$1.2 million respectively.

The City of El Centro's assessed property tax values decreased for the first time in fiscal year 2010-11 and continued to decline through fiscal year 2011-13. The decline was 2.03% in fiscal year 2010-11, 2.88% in fiscal year 2011-12, 1.04% in fiscal year 2012-13, 0.45% in fiscal year 2013-14 and increased 0.84% in fiscal year 2014-15. Local property values appear to have stabilized. The City's property tax revenues declined 20% from \$3.6 million in 2008 to \$2.9 million in fiscal year 2013 and 2014. These revenues increased 3.76% or \$109,000 in fiscal year 2015.

While revenues seem to have stabilized the City remains cautious and is diligently assessing how to prepare for upcoming challenges. Some of the challenges the City will face in the future is the projected increase in retirement cost at Cal-Pers. Based on the Cal-Pers projected increase in rates, for both the safety and miscellaneous plan, it is estimated that these costs will increase by approximately \$3.5 million within the next five years. Other challenges the City is facing include the following: construction of a new library building. As a result of the 7.2 magnitude earthquake that was experienced in 2010, the library building was deemed unsuitable for occupancy and since then the City has been leasing a temporary building for this endeavor; need for a new building for the police department which will address increased expansion and regulatory requirements; increased operational and personnel expenditures as a result of new facilities (aquatic center and sport complex).

To be able to meet these challenges the City council has, over a number of years, through cost cutting measures and planning built up its reserves and designations. The City has an unassigned fund balance in the general fund equal to 55% of total annual expenditures.

In addition, the following economic factors exist that help contribute to the outlook for financial improvement and stability:

- More diverse economy with per capita sales at 166% of national averages
- The regional mall and the continued interest for increased commercial development surrounding the mall and in other areas of the City. For example a second Ross store is set to open in the City as well as specialty grocery store Aldi's.
- Proximity to the economy of Mexicali, Mexico and the continued inflow of consumers from this country.

Long-Term Financial Planning

The fund balance in the general fund as of June 30, 2015 is \$17.6 million. However \$4.1 million has been assigned to fund the other post-employment benefit liability (OPEB).

The unassigned portion of fund balance is \$13.5 million or 54% of operating expenditures. This falls within the policy guidelines set by the City for budgetary and planning purposes. In addition to fund balance the City has funded 94% of the \$6.4 million actuarial accrued liability for OPEB. This is set up in a trust account at Cal-Pers. The OPEB liability was calculated through an actuarial analysis. GASB 45 requires the recording of this liability for other post-employment benefits on the Government Wide Financial Statements.

The City's financial condition is monitored on a regular basis. Reports are presented periodically to the City Council regarding the financial performance of all major funds. Revenue and expenditure trends are closely tracked and analyzed.

The City has approved additional revenue sources in the form of Landscape/Lighting Districts, Community Facilities Districts and Service Districts. The City has updated various fees, such as development impact fees, to aid in financing the additional services that the City is required to

provide. In order to continue to provide a high level of water and wastewater services to existing residents, businesses, and new residences the City has also reviewed rates and capacity fees. In 2006 the City obtained necessary debt financing for updating and expanding facilities, delivery and collection systems by issuing \$65 million in water and wastewater revenue bonds. The City refunded these bonds in fiscal year 2015 to reduce debt service expenses. The estimated net present value savings were approximately \$4.7 million.

GASB 45

Much attention has been given to the unfunded liability of “Other Post-Employment Benefits” (OPEB) of government employees. In response the Governmental Accounting Standards Board (GASB) issued statement #45 which is an effort for governments to identify their obligations for expenses associated with post-employment other than pensions. Governments have pension obligations to their current and retired employees and these are calculated and accounted for. However, other post-employment benefits such as health insurance have not been accounted for by most governments. As these expenses can represent a huge future liability of the government, identification of their costs is essential. GASB 45 requires the government to have an actuarial study done in order to identify the cost of other post-employment benefits.

The City of El Centro provides post-retirement health and dental care benefits, as provided for in various collective bargaining agreements for retirees that meet certain criteria. The City of El Centro implemented its GASB 45 requirement with the FY ended June 30, 2009 and recognized a net pension liability relative to OPEB at the end of the fiscal year. Per GASB 45 the City obtained the firm of Bartell & Associates to perform an actuarial valuation to determine the unfunded actuarial accrued liability and the annual required contribution. The results of this actuarial valuation can be found in note 14 to the financial statements in this report. The ongoing annual required contribution to address this liability is \$234,000 for the fiscal year ending June 30, 2015, of which \$33,000 is to amortize the unfunded liability. As of June 30, 2015 the City has prefunded approximately 94% in a trust for this liability and in addition has assigned an additional \$4.1 million for this liability.

GASB 54

This is the fourth year the City is required to produce its financial statements in conformity with GASB 54. This new GASB requirement concerns mainly the categories and terminology used to describe the components that compose fund balance. In addition, Statement 54 clarifies how rainy-day amounts can be reported by treating stabilization arrangements as a specified purpose. Consequently, amounts constrained to stabilization are to be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. As a result the CAFR can no longer list the Reserve for Economic Unknowns separately. The City has a policy that requires a reserve for economic uncertainties equal to at least 10% of annual operating expenditures. The General Fund balance of \$17.6 million includes an unassigned balance of \$13.5 million. Of this unassigned amount \$2.5 million is for economic uncertainties per the City’s policy.

GASB 68


This is the first year that the City is required to produce its financial statement in conformity with GASB 68. This new GASB requirement concerns mainly the reporting of net pension obligations. The City’s net pension liability for each plan is measured as the total pension liability, less the pension plan’s fiduciary net position as of June 30, 2014, using an annual actuarial valuation prepared by Cal-Pers. The net pension liability is \$8 million for the miscellaneous plan and \$22.5 million for the safety plan.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Centro for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the eight consecutive year the City of El Centro has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

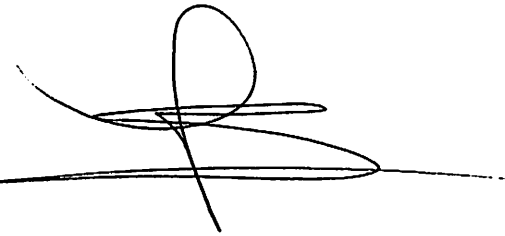
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administration Department. Credit also must be given to the Mayor and the City Council for their support and direction in maintaining the highest standards of professionalism in the management of the City of El Centro finances.

Respectfully submitted,



Rubén Durán
Acting City Manager

Ruben Duran
City Manager



Leticia Salcido
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

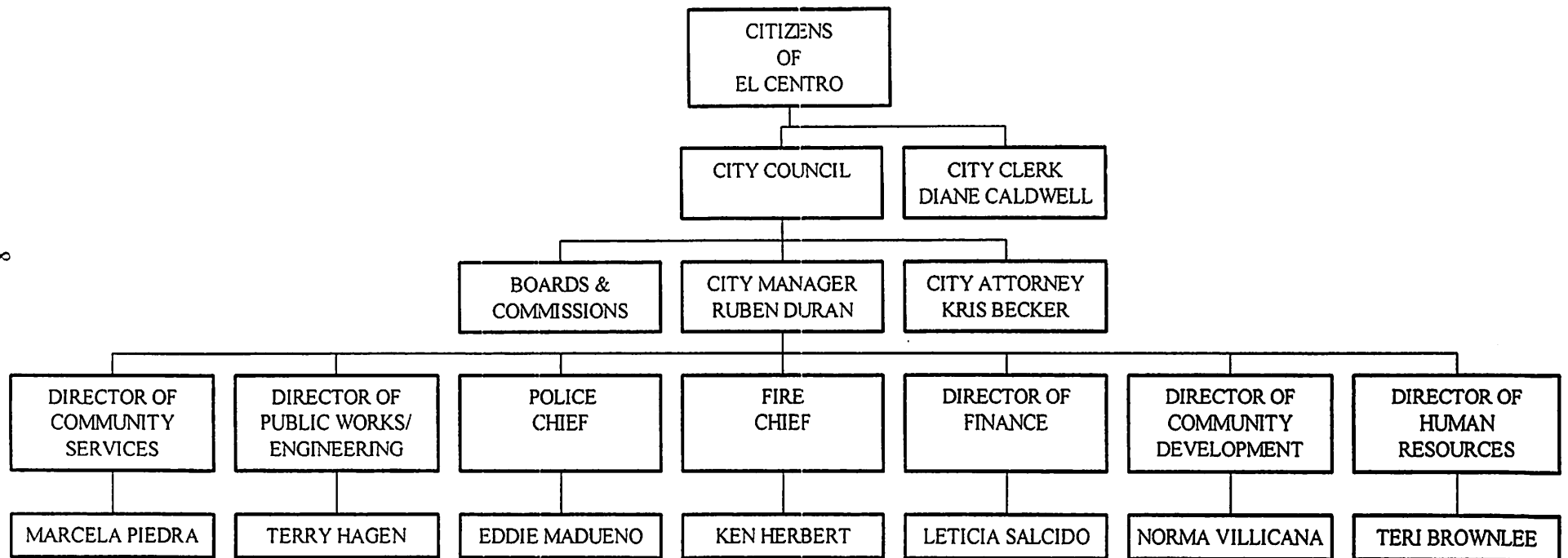
**City of El Centro
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of El Centro Organizational Chart



CITY OF EL CENTRO

**Efrain Silva
Mayor**

**Cheryl V. Walker
Council Member**

**Jason Jackson
Council Member**

**Sedalia Sanders
Council Member**

**Alex Cardenas
Council Member**

**Diane Caldwell
City Clerk**

**Ruben A. Duran
City Manager**

**Kris Becker
City Attorney**

**Terry Hagen
Eddie Madueno
Kenneth Herbert
Marcela Piedra
Norma Villicana
Teri Brownlee**

**Director of Public Works/City Engineer
Police Chief
Fire Chief
Director of Community Services
Director of Community Development
Director of Human Resources**

**Prepared By:
Leticia Salcido - Director of Finance**

**Richard Romero
Finance Manager**

**Yvonne Obeso
Financial/UB Assistant**

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FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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Independent Auditor's Report

The Members of the City Council of the
City of El Centro
El Centro, California

Report on the 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 El Centro, California (City), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hospital Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital Fund, is based solely on the report of the other auditors. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Centro, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in note 1 to the basic financial statements effective July 1, 2014, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 24, the Schedule of Revenues Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, the Note to Required Supplementary Information, the Schedule of Funding Progress – Other Post-employment Benefits, the Schedule of Changes in Net Pension Liability and Related Ratios – City Miscellaneous Plan, the Schedule of Contributions – City Miscellaneous Plan, the Schedule of Proportionate Share of Net Pension Liability – City Safety Plan, the Schedule of Contributions – City Safety Plan, the Schedule of Proportionate Share of Net Pension Liability – Hospital Plan, the Schedule of Contributions – Hospital Plan on pages 101 through 110 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining nonmajor governmental fund financial statements, nonmajor governmental funds budgetary comparison schedules, combining nonmajor proprietary fund financial statements, combining internal service fund financial statements, the combining private purpose trust and agency fund financial statements, and the statistical section are presented for purposes of additional analysis and are not required parts of the financial statements. The combining nonmajor governmental fund financial statements, nonmajor governmental

funds budgetary comparison schedules, combining nonmajor proprietary fund financial statements, combining internal service fund financial statements, and combining private purpose trust and agency fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, 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

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 18, 2015

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Management's Discussion and Analysis

As management of the City of El Centro, we offer readers of the City of El Centro's financial statements this narrative overview and analysis of the financial activities of the City of El Centro for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

I. Statement of Net Position and Statement of Activities

- The assets of the City of El Centro exceeded its liabilities at the close of the most recent fiscal year by \$219,458. Of this amount, \$51,003 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$12,211, excluding any prior period adjustments. Through current fiscal year's transaction, the governmental activities decreased the City's net position by \$588. Business-type activities net position increased by \$12,799.

II. Balance Sheet-Governmental Funds

- As of the close of the current fiscal year, the City of El Centro's governmental funds reported combined ending fund balances of \$81,124. Approximately 16% or \$13,274 is available for spending (Unassigned Fund Balance). See additional discussion in the Financial Analysis of the City's Funds on Pages 25 to 35.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,503 or approximately 55 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of El Centro's basic financial statements. The City of El Centro's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of El Centro's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of El Centro's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position of the City of El Centro is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of El Centro that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of El Centro include general government, public safety, community development, public works, and

parks and recreation. The business-type activities of the City of El Centro include water, sewer (wastewater), solid waste, transit, and a community hospital.

The government-wide financial statements can be found on pages 25-26 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of El Centro, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of El Centro can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* that are available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of El Centro maintains 64 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the other 63 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of El Centro adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary Funds. The City of El Centro maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of El Centro uses enterprise funds to account for its water, wastewater, solid waste, and transit operations as well as the community hospital, El Centro Regional Medical Center. *Internal service funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City of El Centro on a cost reimbursement basis. The City of El Centro uses internal service funds to account for its fleet of vehicles, workers compensation program, group health insurance, and post employment benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities, in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, and hospital operations, all of which are considered to be *Major Funds* of the City of El Centro. Conversely, *Internal service funds* are combined into a single aggregated presentation, in proprietary fund financial statements. Individual fund data for the internal service and non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 31-33 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of El Centro's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 34-35 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-94 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of El Centro's Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Pension Contributions, Schedule of Funding Progress for Other Post-employment Benefits, Hospital Fund's Schedule of Changes in Net Pension Liability and Related Ratios, Hospital Fund's Schedule of Pension Contributions, notes to Required Supplementary Information and Schedule of Revenues, Expenditures, and Changes in Fund Balance (Final Budget, Original Budget, and Actual Amount) for the General Fund. Required supplementary information can be found on pages 101-110 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary funds, and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 111-192 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of El Centro, assets exceeded liabilities by \$219,458 (see table 1, below) at the close of the most recent fiscal year.

The City of El Centro's net position in the amount of \$123,135 (approximately 56 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), net of accumulated depreciation, less any related debt used to acquire those assets that is still outstanding. Of this amount \$44,193 is related to business type activities with approximately \$34,368 in the hospital fund and \$9,825 in the water and wastewater funds. The City of El Centro uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of El Centro's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves normally are not used to liquidate these liabilities.

An additional portion of the City of El Centro's net position in the amount of \$67,111 (approximately 17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$29,212, may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position for Governmental activities declined from \$19 million to negative \$21 million as it reflects the adjustment for net pension liability as required by GASB 68. The adjustment was for \$27.2 million.

At the end of the current fiscal year, the City of El Centro is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Table 1 – City of El Centro Net Position
June 30, 2015 (Thousands)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Current Assets and Other Assets	105,073	105,242	143,776	114,820	248,849	220,062
Capital Assets	87,673	90,709	123,184	122,497	210,857	213,206
Total Assets	192,746	195,951	266,960	237,317	459,706	433,268
Deferred loss on refunding			4,686		4,686	
City's Contributions subsequent to the measurement	3,408	-	6,131	-	9,539	-
Total Deferred Outflow of Resources	3,408	-	10,817	-	14,225	-
Current and Other Liabilities	9,728	10,136	17,311	15,512	27,039	25,648
Long-term Liabilities	61,001	39,915	157,011	102,335	218,012	142,250
Total Liabilities	70,729	50,051	174,322	117,847	245,051	167,898
Differences between projected and actual earnings on pension plan investments	7,362	-	2,058	-	9,420	-
Total Deferred Inflow of Resources	7,362	-	2,058	-	9,420	-
Net Position:						
Net investment in Capital						
Assets	78,942	80,842	44,193	39,558	123,135	120,400
Restricted	60,260	45,804	6,852	6,731	67,112	52,535
Unrestricted	(21,139)	19,253	50,350	73,181	29,211	92,434
Total Net Position	118,063	145,899	101,395	119,470	219,458	265,369

As shown in Table 2 (below), the City of El Centro's total Net Position increased by \$12,211, while Governmental Activities Net Position decreased by \$588.

**Table 2 – City of El Centro’s Changes in Net Position
For the Fiscal Year Ended June 30, 2015 (Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	1,783	1,637	153,317	147,439	15,100	149,076
Operating Grants & Contributions	3,771	5,053	406	472	4,177	5,525
Capital Grants & Contributions	6,632	10,656	1,120	398	7,752	11,054
General Revenues:						
Property Tax	3,037	2,929	-	-	3,037	2,929
Sales Tax	10,999	10,938	-	-	10,999	10,938
Motor Vehicle in Lieu of Taxes	3,671	3,641	-	-	3,671	3,641
Investment Earnings	156	130	613	470	769	600
Other	23,415	2,426	(608)	58	1,807	2,484
Total Revenue	32,464	37,410	154,848	148,837	187,312	186,247
Expenses:						
General Government	2,815	2,754	-	-	2,815	2,754
Public Protection	14,821	13,703	-	-	14,821	13,703
Community Development	5,914	5,369	-	-	5,914	5,369
Public Works	4,107	5,553	-	-	4,107	5,553
Parks and Recreation	4,215	3,378	-	-	4,215	3,378
Interest on Long-Term Liabilities	1,373	1,155	-	-	1,373	1,155
Water	-	-	7,703	7,889	7,703	7,889
Wastewater	-	-	7,964	7,784	7,964	7,784
Hospital	-	-	123,936	123,534	123,936	123,534
Other	-	-	2,253	2,174	2,253	2,174
Total Expenses	33,245	31,911	141,856	141,381	175,101	173,292
Excess (Deficiency) before transfers	(781)	5,499	12,992	7,456	12,211	12,955
Transfers	193	193	(193)	(193)	-	-
Increase (Decrease) in Net Position	(588)	5,692	12,799	7,263	12,211	12,955

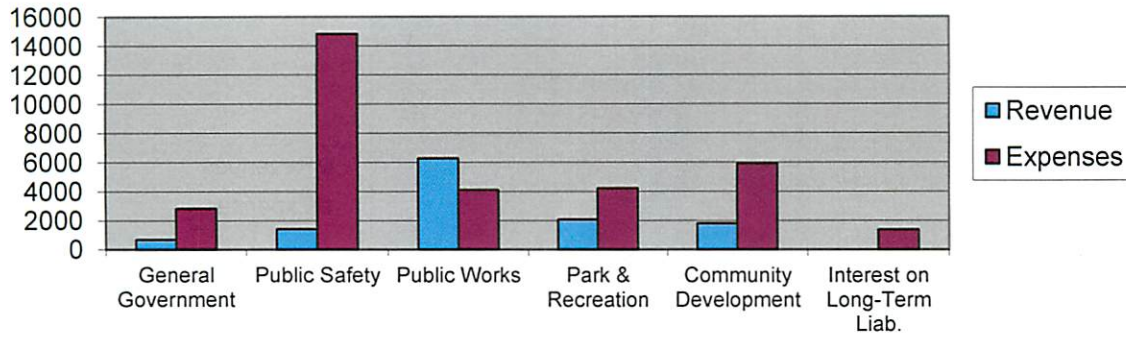
Governmental Activities

The change in Net Position for Governmental Activities was a decrease of \$588 for the fiscal year ended June 30, 2015. The following were the key elements in the change in net position:

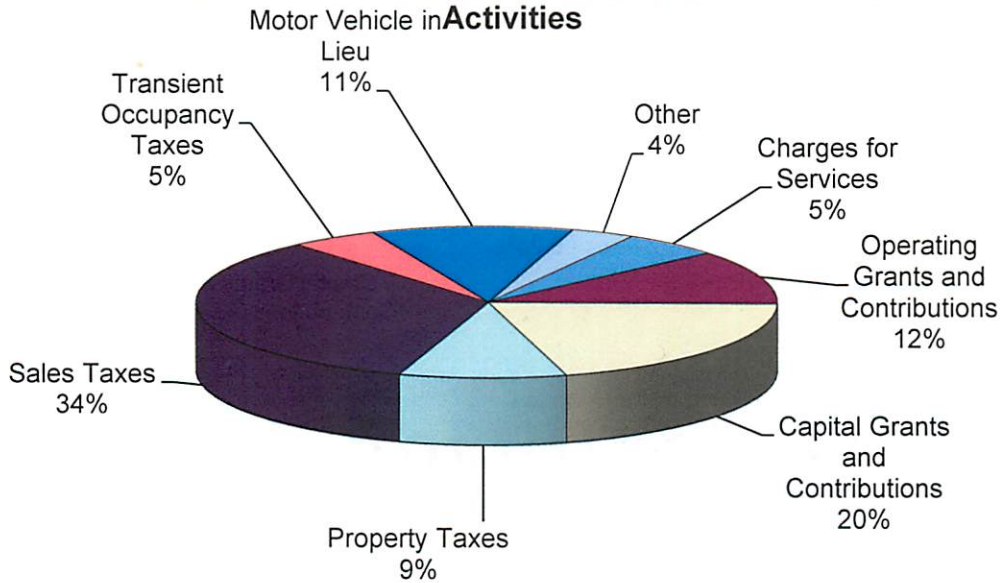
- Total revenues and transfers declined 13 percent to \$32,657. Expenses increased 4 percent to \$33,245.
- Total revenues and transfers decreased from previous year due to the following decreases and increases
 - The increases in revenues from the previous year were primarily due to the following reasons;
 1. FEMA revenues \$ 305
 2. Grant funding in the following funds; Police Grants \$151, Skate Park Grant \$1,477, Champs Grant \$50, HUD Entitlement \$2, Calhome Grant \$34, IID Grant \$20

3. General fund in the following areas; Sales Tax \$197, Other Taxes \$32, Charges for Services \$240, Other income \$154, POST Reimb. \$75, Property Taxes \$109, Federal Grants \$96, Motor Vehicle in lieu fee \$30, Housing Authority \$13
 4. Asset Forfeiture \$119
 5. Home PI \$13
 6. Development Impact Fees \$26
 7. Interest Earned \$26
- The decrease in revenues from the previous year were primarily due to the following reasons;
 1. 2011 A & B Projects Other Income - \$1,149
 2. General Fund in the following areas; TOT \$75, License & Permits \$68, Court Fines \$26, Other Agencies \$673, Sales Tax Compensation \$203
 3. Grant funding in the following funds; OTS Grant \$15, EDA Grant \$163, HOME Grant \$90, Federal Hwy \$1,711, Dept. of Conservation Grant \$49, Federal Bus Terminal Grant \$1,875, State COPS Grant \$8
 4. Gas Tax \$97
 5. ICTC contributions \$440
 6. LTA revenue \$881
 7. Calhome PI \$28
 8. CDBG Program Income \$17
 9. Special Events \$6
 10. EDA Revolving \$12
 11. Legacy & Buena Vista L&LD \$1
- Total Expenses decreased from previous years due to the following decreases and increases:
 - The decreases in expenses from the previous year were primarily due to the following reason:
 1. Grant funding in the following funds; Home Grant \$13, Used Oil Grant \$20, Dept. of Conservation Grant \$170, Tire Clean Up Grant \$102, Household Hazardous Waste Grant \$6, Post Office Grant \$49, OTS Grant \$13
 2. Special Events \$11
 3. IVWMTF \$199
 4. Successor Agency Housing \$15
 5. OPEB Contribution \$298
 - The increase in expenses from the previous year was primarily due to the following reasons;
 1. General Fund Salaries \$190
 2. General Fund Professional Fees \$85
 3. General Fund Liability Ins. \$508
 4. General Fund Other Expenses \$1,085
 5. Debt Service on long term liabilities \$241
 6. Police Grants \$7
 7. Home PI \$59
 8. Asset Forfeiture \$46
 9. HUD Entitlement \$6
 10. CDBG PI \$82
 11. State COPS Grant \$3

Expenses and Program Revenues-Governmental Activities (Amounts expressed in Thousands)



Revenues and Transfers by Source-Governmental Activities

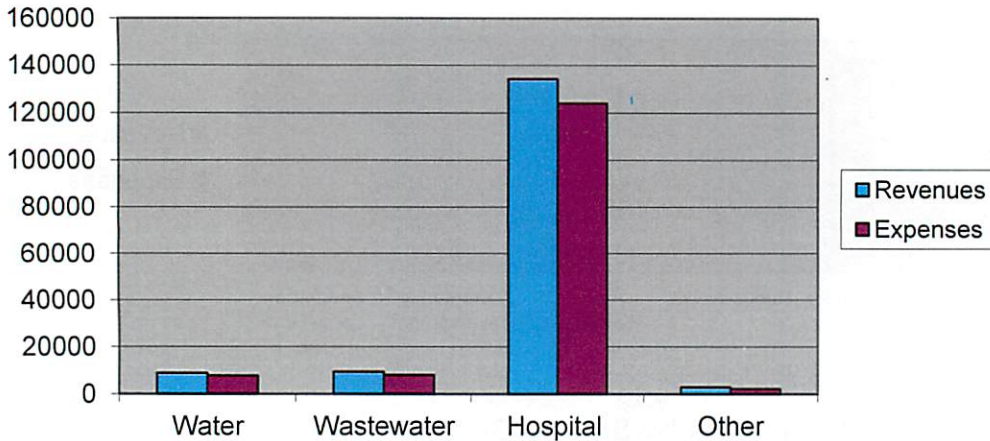


Business-type activities

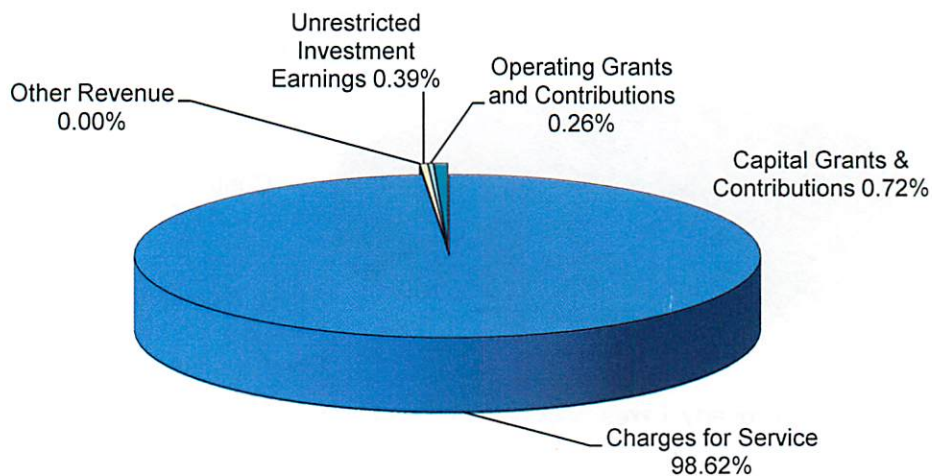
The Net Position for business-type activities increased by \$12,799. In fiscal year 2015 revenues increased by \$6,011 or 2 percent. Expenses and transfers increased by 0.3 percent.

- Total revenues increased from previous year due to the following increases:
 1. Charges for services \$5,878
 2. Capital grants & contributions \$722
 3. Investment earnings \$143

Expenses and Program Revenues - Business-type Activities
(Amounts expressed in Thousands)



Revenues by Sources - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of El Centro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of El Centro's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of El Centro's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of El Centro's governmental funds reported combined ending fund balances of \$82,124, an increase of \$18,119 in comparison with the prior fiscal year. Approximately 16% of the total ending fund balance in the amount of \$13,274 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, non-spendable, committed, or assigned.

The general fund is the chief operating fund of the City of El Centro. At the end of the current fiscal year, *unassigned fund balance* in the general fund was \$13.5 million and the amount of assigned fund balance for other post-employment benefit liability is \$4.1 million (GASB 45

requires the recording of a liability for OPEB on the government wide financial statements). Total fund balance as of June 30, 2015 was \$17.6 million. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total fund expenditures. Unassigned fund balance represents 55 percent of total general fund expenditures, while total fund balance represents 71 percent of the total general fund expenditures.

Significant factors related to the revenue and expenditures of the general fund for the current fiscal year are as follows:

- Revenues for the general fund totaled \$23,899, which was a decrease of \$72 or approximately 0.3 percent over the prior fiscal year.
 - Intergovernmental revenues decreased by \$663 due to the following: decline in Redevelopment Property Tax Trust Fund Distributions \$555, decline in sales tax in lieu of taxes \$203 and increase in Federal grants of \$86.
 - Taxes increased by \$265 due to the following: increase in property taxes \$109, sales taxes \$198 and real property transfer revenues \$25 combined with a decline in transient occupancy tax in the amount of \$75.
 - Charges for services increased by \$240 from engineering fees and environmental impact fees.
- Expenditures for the general fund totaled \$24,660. This is an increase of \$1,570 or approximately 7 percent over the prior fiscal year. General government increased by \$332, Public Safety decreased by \$56, Public Works decreased by \$52, Parks & Recreation increased by \$176, Community Development increased by \$113, and capital purchases increased by \$1,056.

Proprietary Funds

The City of El Centro's *proprietary funds* provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the proprietary (enterprise) funds at the end of the fiscal year amounted to \$101,395. This amounts to a decline in net position for all enterprise funds in the amount of \$18,075. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of El Centro's business-type activities.

General Fund Budgetary Highlights

The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in an increase in budgeted expenditures from the original budget of 7% or \$2 million of which approximately \$1.8 million was adjustments for capital. The budget adjustments to capital were as follows: \$468 for skate park construction; \$111 for parks renovations to the pond, electrical system and parking lot; \$700 for demolition of library; \$96 for renovations to the community center parking lot, basketball court and activity center; \$96 for renovations to fire stations 1 and 2; \$22 for abatement and demolition, \$40 computers and equipment various departments. Other budget adjustments included the following: \$100 professional fees legal for Human Resources and City Attorney divisions; \$35 fund academy for police recruits; \$7 contributions; \$8 travel for various departments; \$40 professional fees for engineering and planning.

Actual expenditures for the fiscal year in the amount of \$24,660 were \$6,550 (21%) below the final budgeted amounts. Expenditures were lower than the revised budgeted amount for the following reasons: decline in capital expenses for public works (\$4 million) as a result of continuing the Cruickshank Landfill cleanup project to fiscal year 2016, decline in capital expenses of \$700 for the library division as the demolition of the old library building was moved to fiscal year 2016, salary savings due to vacant safety positions \$1 million, salary savings due to vacant position during the first six months of the fiscal year at the sport pavilion \$41, lower level of materials and supplies in the streets division \$113, capital purchases postponed to 2016 by the fire department \$148, lower

level of expenditures in non-departmental legal fees \$195, salary savings in economic development \$150, and planning professional fees \$20.

Capital Asset and Debt Administration

As of June 30, 2015 the City’s investment in capital assets for its governmental and business-type activities amounted to \$207,427 (net of accumulated depreciation). The investments in capital assets are comprised of land, building and improvements, infrastructure, vehicles, furniture and equipment, and construction in progress. The City, according to GASB 34 guidelines has elected, retroactively, to include all infrastructure assets dating back to 1980.

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

- Park improvements \$658
- Public safety vehicle acquisition of \$647
- Street improvements of \$213
- Council chamber construction \$341
- Indoor Sports Complex \$887
- Water and Wastewater system infrastructure improvements totaling \$106, vehicles \$105 and equipment totaling \$82
- Sunflower restroom and snack bar \$208

Table 3 – City of El Centro’s Capital Assets
(Net of Accumulated Depreciation)
June 30, 2015 (Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	2,255	1,749	4,004
Building and Improvements	50,769	95,263	146,032
Infrastructure	28,639	-	28,639
Vehicles	954	455	1,409
Furniture and Equipment	1,558	11,513	13,071
Construction in Progress	<u>3,439</u>	<u>10,833</u>	<u>14,272</u>
Total	<u><u>87,614</u></u>	<u><u>119,813</u></u>	<u><u>207,427</u></u>

Additional information on the City of El Centro’s capital assets can be found in Note 6 on pages 58-59 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of \$214,418. The composition of long-term debt is outlined in Table-4 below.

Table 4 – The City’s Outstanding Debt
June 30, 2015 (Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Advances from Successor Agency	10,612	-	10,612
Revenue Bonds and Installment Sales, Net	20,233	116,593	156,826
Capital Leases	115	4,913	5,028
Note Payable	-	-	-
Other Post-Employment Benefits	(3,595)	-	(3,595)
Net Pension Liability	27,857	35,024	62,881
Compensated Absences	<u>2,184</u>	<u>482</u>	<u>2,666</u>
Total	<u><u>57,406</u></u>	<u><u>157,012</u></u>	<u><u>214,418</u></u>

The majority of the long-term debt is comprised as follows:

- Insured Hospital Revenue Bonds in the amount of \$50,000. El Centro Regional Medical Center issued \$50,000 in Insured Hospital Revenue Bonds in 2015. The proceeds are being used to finance the construction and equipping of the Medical Center’s expansion project and refinance the bond series 2001.
- Installment loan with CIEDB in the amount of \$2,620. The City of El Centro obtained an installment loan from CIEDB in 2003 for water and wastewater improvements in the amount of \$5.6 million.
- Advance from successor agency in the amount of \$10,612 due to issuance of the 2011 successor bonds series C
- Revenue Bonds in the amount of \$12,070. The City of El Centro issued \$14,740 in revenue bonds in 2009 for transportation related improvements.
- Revenue Bonds in the amount of \$8,163. The El Centro Financing Authority issued the Revenue Bonds Series 2011 in the amount of \$11,095. The bonds were issued to finance the acquisition of the Redevelopment Agency of the City of El Centro, El Centro Redevelopment Project Tax Allocation Bonds Series 2011C.
- Revenue Bonds in the amount of \$6.9 million. The City of El Centro issued \$7.8 million in revenue bonds in 2012 to refund the 1997 wastewater revenue bonds.
- Revenue Bonds in the amount of \$52.5 million. The City of El Centro issued \$52.5 million in revenue bonds in 2014 to refund all of the outstanding portion of the 2006 Series A water/wastewater revenue bonds. The original bonds were issued for the construction of a new water treatment plant and wastewater plant improvements.
- Net pension liability for the Governmental Activities of \$27,857 and for the Business Type Activities of \$35,024.

Additional information on the City of El Centro’s long-term debt can be found in Note 8, on pages 60-70 of this report. Additional information on the City of El Centro’s Net Pension Liability can be found in Note 15, on pages 81-89 and RSI on pages 101-107.

Economic Factors

The economy is slowly improving and the City’s revenues were steady at approximately the same level as in fiscal year 2014 allowing for an increase to the fund balance position for the general fund in the amount of \$617. This is important as the City is faced with the following challenges which demand continued improvement in revenues and adequate levels of reserves: increase in

retirement cost at Cal-Pers estimated at \$3.5 million over the next five years; construction of a new building for the library as the old one was deemed unsuitable for occupancy as a result of the earthquake of 2010, construction of a new building for the police department to accommodate growth and new regulations; increase in operational and personnel expenditures as a result of new facilities - aquatic center to be completed in fiscal year 2017; adjustment to personnel costs and the need to address deferred maintenance.

As background it was during the three fiscal years of 2004-05, 2005-06 and 2006-07 the City of El Centro experienced unprecedented growth in both commercial and residential development. It was during this time that a regional mall with 766,333 square feet of shopping opportunities and a strip mall were built in the City. These two projects helped diversify the City's economy and attracted residents of surrounding cities as well as from Mexicali, Mexico.

Mexicali, Mexico is the capital of Baja California and has a population in excess of 1 million and a significant number of maquiladoras. A maquiladora is an assembly plant in Mexico, especially one along the border between the United States and Mexico, to which foreign materials and parts are shipped and from which the finished product is returned to the original market.

The commercial development substantially increased the retail opportunities in the City and increased sales and sales tax revenue during these years. The economy slowed down during fiscal year 2008 and severely contracted during fiscal year 2010. The economic activity experienced a substantial decline what negatively affected all major sources of City revenues.

In fiscal year 2010 as a result of the precipitous decline in revenue the City developed various cost cutting measures in order to reduce expenditures. Some of the cost cutting measures included the following: reduction to the allocation for operations and capital for all departments; freezing of funding for vacant key management positions; postponement of projects; use of volunteer services; reduction to the amount set aside for other post-employment benefits. These actions along with the strong fund balance in the general fund allowed the City to continue operations without the need for lay-offs or furloughs.

The strong fund balance is the result of the City's continued fiscal prudence throughout the past years. The City has set aside and designated reserves for potential liabilities, future capital projects, replacement of major equipment and contingencies. It was this fund balance that made the City strong in face of the major recession in 2010, precipitous loss of revenues and the loss of capital and major expenditures that resulted from the 7.2 Earthquake during the same year. We believe it is essential to continue to maintain strong reserves in order to weather economic fluctuations and unforeseen expenditures.

It is expected that the following factors will contribute to the continued improvement in the local economy:

- More diverse economy with per capita sales at 166% of national averages
- The regional mall and the continued interest for increased commercial development surrounding the mall.
- Proximity to the economy of Mexicali, Mexico and the continued inflow of consumers from this country.

The City will continue to position its finances in a manner that will allow it to meet the City's strategic goals and objectives and will accomplish this within the parameters allowed by the economy. The City will continue to fund reserves and enforce revenue enhancement and cost containment measures.

Requests for Information

This financial report is designed to provide a general overview of the City of El Centro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, 1275 Main Street, City of El Centro, California, 92243.

CITY OF EL CENTRO
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Investments	\$ 55,732,002	\$ 64,768,592	\$ 120,500,594
Restricted Assets:			
Cash and Investments		32,480,088	32,480,088
Cash and Investments with Fiscal Agent	22,532,806	22,005,397	44,538,203
Receivables (net of allowances for uncollectibles)			
Accounts	128,952	16,454,942	16,583,894
Taxes	1,468,421		1,468,421
Interest	1,045,504	17,756	1,063,260
Grants	1,727,489		1,727,489
Notes	17,645,310	453,642	18,098,952
Other	1,011,187	1,130,543	2,141,730
Internal Balances	185,829	(185,829)	
Due from Third-Party Payors		1,426,642	1,426,642
Inventories		1,861,046	1,861,046
Net Pension Obligation - Overfunded		1,170,600	1,170,600
Net OPEB Asset	3,595,317		3,595,317
Prepaid Items		1,428,695	1,428,695
Investment in Joint Venture		764,027	764,027
Land Held for Resale	59,089		59,089
Capital Assets Not Being Depreciated	5,693,566	12,581,475	18,275,041
Capital Assets, Net of Accumulated Depreciation	81,920,427	107,231,690	189,152,117
Goodwill		3,370,409	3,370,409
Total Assets	192,745,899	266,959,715	459,705,614
Deferred Outflow of Resources:			
Deferred Loss on Refunding		4,685,550	4,685,550
City's Pension Contributions Subsequent to the Measurement Date	3,407,679	6,130,943	9,538,622
Total Deferred Outflow of Resources	3,407,679	10,816,493	14,224,172
Liabilities:			
Accounts Payable	2,618,244	9,030,269	11,648,513
Salaries/Benefits Payable	444,712	7,471,570	7,916,282
Interest Payable	318,136	617,932	936,068
Unearned Revenue	202,958	24,088	227,046
Deposits	6,143,543	166,558	6,310,101
Non-Current Liabilities:			
Due Within One Year	2,187,090	7,140,353	9,327,443
Due in More Than One Year	58,814,157	149,871,680	208,685,837
Total Liabilities	70,728,840	174,322,450	245,051,290
Deferred Inflow of Resources:			
Differences Between Projected and Actual Earnings on Pension Plan Investments	7,361,932	2,058,354	9,420,286
Total Deferred Inflow of Resources	7,361,932	2,058,354	9,420,286
Net Position:			
Net Investment in Capital Assets	78,942,143	44,193,034	123,135,177
Restricted for:			
Housing	10,193,944		10,193,944
Special Projects	31,815		31,815
Debt Service	10,568,565	6,851,721	17,420,286
Community Development	9,019,838		9,019,838
Asset Forfeiture	1,270,311		1,270,311
Public Safety	866,232		866,232
Street and Roads	10,173,875		10,173,875
Landscaping	489,517		489,517
Unrestricted	(3,493,434)	50,350,649	46,857,215
Total Net Position	\$ 118,062,806	\$ 101,395,404	\$ 219,458,210

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,814,460	\$ 671,937	\$ -	\$ -	\$ (2,142,523)	\$ -	\$ (2,142,523)
Public Protection	14,821,027	388,716	1,021,115		(13,411,196)		(13,411,196)
Community Development	5,914,348	549,694	637,764	607,058	(4,119,832)		(4,119,832)
Public Works	4,107,228	24,738	2,096,895	4,130,187	2,144,592		2,144,592
Parks and Recreation	4,214,952	148,347	15,156	1,894,787	(2,156,662)		(2,156,662)
Interest on Long-Term Liabilities	1,372,677				(1,372,677)		(1,372,677)
Total Governmental Activities	<u>33,244,692</u>	<u>1,783,432</u>	<u>3,770,930</u>	<u>6,632,032</u>	<u>(21,058,298)</u>		<u>(21,058,298)</u>
Business-Type Activities:							
Water	7,703,001	8,382,237		495,040		1,174,276	1,174,276
Wastewater	7,963,730	8,830,413		564,492		1,431,175	1,431,175
Hospital	123,935,509	133,830,561	375,654	60,896		10,331,602	10,331,602
Transit	428,536	420,029	30,000			21,493	21,493
Solid Waste	1,824,911	1,854,003				29,092	29,092
Total Business-Type Activities	<u>141,855,687</u>	<u>153,317,243</u>	<u>405,654</u>	<u>1,120,428</u>		<u>12,987,638</u>	<u>12,987,638</u>
Total Primary Government	<u>\$ 175,100,379</u>	<u>\$ 155,100,675</u>	<u>\$ 4,176,584</u>	<u>\$ 7,752,460</u>	<u>(21,058,298)</u>	<u>12,987,638</u>	<u>(8,070,660)</u>
General Revenues:							
Taxes:							
Property Taxes					3,036,539		3,036,539
Sales Taxes					10,998,664		10,998,664
Transient Occupancy Taxes					1,592,290		1,592,290
Franchise Taxes					317,379		317,379
Other Taxes					402,491		402,491
Motor Vehicle in Lieu, unrestricted					3,671,321		3,671,321
Investment Earnings					155,862	613,433	769,295
Miscellaneous Revenue (Expense)					102,414	(608,438)	(506,024)
Transfers					193,200	(193,200)	
Total General Revenues and Transfers					<u>20,470,160</u>	<u>(188,205)</u>	<u>20,281,955</u>
Change in Net Position					<u>(588,138)</u>	<u>12,799,433</u>	<u>12,211,295</u>
Net Position - Beginning of Fiscal Year					145,899,331	119,470,048	265,369,379
Prior Period Adjustments					<u>(27,248,387)</u>	<u>(30,874,077)</u>	<u>(58,122,464)</u>
Net Position - Beginning of Fiscal Year (restated)					<u>118,650,944</u>	<u>88,595,971</u>	<u>207,246,915</u>
Net Position - End of Fiscal Year					<u>\$ 118,062,806</u>	<u>\$ 101,395,404</u>	<u>\$ 219,458,210</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO

Balance Sheet

Governmental Funds

June 30, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and Investments	\$ 16,027,545	\$ 30,472,823	\$ 46,500,368
Receivables (Net of Allowances for Uncollectible):			
Accounts	128,952		128,952
Taxes	1,467,878	543	1,468,421
Interest	11,310	19,520	30,830
Grants		1,727,489	1,727,489
Notes		17,645,310	17,645,310
Other	621,379	388,760	1,010,139
Due from Other Funds	1,688,824		1,688,824
Restricted Assets:			
Cash and Investments with Fiscal Agent		22,532,806	22,532,806
Other Assets:			
Land Held for Resale		59,089	59,089
Total Assets	<u>\$ 19,945,888</u>	<u>\$ 72,846,340</u>	<u>\$ 92,792,228</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 694,403	\$ 1,623,754	\$ 2,318,157
Salaries/Benefits Payable	438,107	1,441	439,548
Unearned Revenue	264,456		264,456
Deposits	950,952	5,192,591	6,143,543
Due to Other Funds		1,502,995	1,502,995
Total Liabilities	<u>2,347,918</u>	<u>8,320,781</u>	<u>10,668,699</u>
Fund Balances:			
Nonspendable:			
Restricted		17,645,310	17,645,310
Committed		45,207,938	45,207,938
Assigned	4,094,734	1,901,886	1,901,886
Unassigned	13,503,236	(229,575)	13,273,661
Total Fund Balances	<u>17,597,970</u>	<u>64,525,559</u>	<u>82,123,529</u>
Total Liabilities and Fund Balances	<u>\$ 19,945,888</u>	<u>\$ 72,846,340</u>	<u>\$ 92,792,228</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances - governmental funds	\$	82,123,529
<p>In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital assets at historical cost	\$ 185,839,001	
Accumulated depreciation	<u>(98,225,008)</u>	87,613,993
<p>Certain taxes and fees will be collected after fiscal year end, but are not available soon enough to pay for current period's expenditures, and therefore are reported as deferred revenue in the governmental funds.</p>		
		61,498
<p>In governmental funds, certain accrued interest receivables on notes receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.</p>		
		1,008,978
<p>In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:</p>		
Advances from Successor Agency (including premium)	\$ (10,612,336)	
Revenue bonds (net of original issue discount)	(8,162,847)	
Lease revenue bonds (net of original issue discount)	(12,070,079)	
Net pension liability	(27,693,409)	
Capital lease	(114,912)	
Other post-employment benefits	3,595,317	
Compensated absences payable	<u>(2,184,218)</u>	(57,242,484)
<p>Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.</p>		
City's pension contributions subsequent to the measurement date		3,386,024
Differences due to changes in proportions		6,109
Differences between projected and actual earnings on pension plan investments		(7,281,703)
<p>Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.</p>		
		(318,136)
<p>Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.</p>		
		<u>8,704,998</u>
Total net position - governmental activities	\$	<u>118,062,806</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 13,572,123	\$ 11,838	\$ 13,583,961
Licenses and Permits	256,117		256,117
Intergovernmental	7,821,625	7,726,496	15,548,121
Charges for Services	790,234	314,002	1,104,236
Fines and Forfeitures	107,118	153,366	260,484
Interest	90,482	769,084	859,566
Other	1,261,444	310,279	1,571,723
Total Revenues	<u>23,899,143</u>	<u>9,285,065</u>	<u>33,184,208</u>
Expenditures			
Current			
General Government	3,551,014		3,551,014
Public Safety	13,690,983	317,353	14,008,336
Public Works	1,218,352	77,047	1,295,399
Parks and Recreation	2,642,889	55,697	2,698,586
Community Development	1,572,521	594,364	2,166,885
Capital Outlay	1,983,767	4,531,966	6,515,733
Debt Service			
Principal		1,132,892	1,132,892
Interest and Fiscal Charges		1,478,077	1,478,077
Total Expenditures	<u>24,659,526</u>	<u>8,187,396</u>	<u>32,846,922</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(760,383)</u>	<u>1,097,669</u>	<u>337,286</u>
Other Financing Sources (Uses):			
Transfers In	1,691,117	1,350,306	3,041,423
Transfers Out	(313,880)	(2,534,343)	(2,848,223)
Total Other Financing Sources (Uses)	<u>1,377,237</u>	<u>(1,184,037)</u>	<u>193,200</u>
Net Changes in Fund Balances	<u>616,854</u>	<u>(86,368)</u>	<u>530,486</u>
Fund Balances - Beginning of Fiscal Year	17,043,144	46,961,781	64,004,925
Prior Period Adjustments	<u>(62,028)</u>	<u>17,650,146</u>	<u>17,588,118</u>
Fund Balances - Beginning of Fiscal Year, Restated	<u>16,981,116</u>	<u>64,611,927</u>	<u>81,593,043</u>
Fund Balances - End of Fiscal Year	<u>\$ 17,597,970</u>	<u>\$ 64,525,559</u>	<u>\$ 82,123,529</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance-total governmental funds	\$	530,486
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital outlay	\$	5,736,547
Depreciation expense	<u>(8,772,674)</u>	(3,036,127)
<p>Certain notes receivable are reported in the governmental funds as expenditures and then offset by unearned revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued. (Collected \$377,381) (Issued \$170,799)</p>		
		(206,582)
<p>Certain accrued interest revenue of notes receivable reported in the statement of activities are not available to pay for current period expenditures, and therefore, are not reported as revenues in a governmental fund. This is the net change in interest receivable for the current period.</p>		
		(564,445)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.</p>		
Current year amortization of premium for advances from Successor Agency	115,989	
Revenue bonds (net of original issue discount)	713,182	
Lease revenue bonds (net of original issue discount)	343,109	
Capital lease	<u>52,892</u>	1,225,172
<p>Other post-employment benefits payable was added to the statement of net position due to the implementation of GASB Statement No. 45. This is the amount of the change in the payable in the current period.</p>		
		609,639
<p>Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period</p>		
		(150,681)
<p>In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:</p>		
		1,071,295
<p>Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period.</p>		
		13,120
<p>Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.</p>		
		(80,015)
Change in net position of governmental activities	<u>\$</u>	<u>(588,138)</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities-Enterprise Funds				Total	Governmental Activities
	Water Fund	Wastewater Fund	Hospital Fund	Nonmajor Enterprise Funds		Internal Service Funds
Assets and Deferred Outflow of Resources						
Current Assets:						
Cash and Investments	\$ 16,371,774	\$ 11,629,237	\$ 36,212,710	\$ 554,871	\$ 64,768,592	\$ 9,231,634
Cash and Investments with Fiscal Agent	5,940,425	16,064,972			22,005,397	
Receivables (Net of Allowances for Uncollectibles):						
Accounts	1,251,388	1,369,892	13,545,903	287,759	16,454,942	
Notes	139,346	35,337	278,959		453,642	
Other	1,258	3,011	1,126,274		1,130,543	1,048
Interest	10,279	7,262		215	17,756	5,696
Due from Third-Party Payors			1,426,642		1,426,642	
Inventories			1,861,046		1,861,046	
Net Pension Obligation - overfunded			1,170,600		1,170,600	
Prepaid Expenses			1,428,695		1,428,695	
Total Current Assets	<u>23,714,470</u>	<u>29,109,711</u>	<u>57,050,829</u>	<u>842,845</u>	<u>110,717,855</u>	<u>9,238,378</u>
Noncurrent Assets:						
Investment in Joint Venture			764,027		764,027	
Restricted Assets:						
Cash and Investments			32,480,088		32,480,088	
Capital Assets:						
Land	181,547	78,560	1,488,395		1,748,502	
Buildings	920,335	835,015	73,327,166		75,082,516	
Improvements other than Buildings	68,594,917	55,773,174			124,368,091	
Machinery and Equipment	3,194,654	949,399	45,519,448		49,663,501	
Furniture and Fixtures	33,740	22,221			55,961	
Vehicles	1,138,827	889,752			2,028,579	
Construction in Progress	793,626	246,119	9,793,228		10,832,973	
Less:						
Accumulated Depreciation	(40,649,128)	(38,138,183)	(65,179,647)		(143,966,958)	
Goodwill			3,370,409		3,370,409	
Total Noncurrent Assets	<u>34,208,518</u>	<u>20,656,057</u>	<u>101,563,114</u>		<u>156,427,689</u>	
Total Assets	<u>57,922,988</u>	<u>49,765,768</u>	<u>158,613,943</u>	<u>842,845</u>	<u>267,145,544</u>	<u>9,238,378</u>
Deferred Outflow of Resources						
Deferred loss on refunding City's Pension Contributions Subsequent to the Measurement Date	2,363,724	2,321,826			4,685,550	
	110,832	136,911	5,883,200		6,130,943	15,546
Total Deferred Outflow of Resources	<u>2,474,556</u>	<u>2,458,737</u>	<u>5,883,200</u>		<u>10,816,493</u>	<u>15,546</u>
Liabilities and Deferred Inflow of Resources						
Current Liabilities						
Accounts Payable	909,689	223,958	7,580,680	315,942	9,010,269	300,087
Salaries/Benefits Payable	39,189	48,026	7,384,355		7,471,570	5,164
Interest Payable	320,961	296,971			617,932	
Customer Deposits	94,558			72,000	166,558	
Due to Other Funds				185,829	185,829	
Unearned Revenue	18,627	5,461			24,088	
Compensated Absences	93,146	105,487			198,633	
Current Portion of Long-term Obligations	1,102,429	1,319,067	4,520,224		6,941,720	
Total Current Liabilities	<u>2,578,599</u>	<u>1,998,970</u>	<u>19,485,259</u>	<u>573,771</u>	<u>24,636,599</u>	<u>305,251</u>
Noncurrent Liabilities:						
Compensated Absences	127,257	155,928			283,185	
Net Pension Liability	1,165,268	1,439,456	32,419,478		35,024,202	163,446
Long-term Debt	34,070,201	30,100,987	50,393,105		114,564,293	
Total Noncurrent Liabilities	<u>34,362,726</u>	<u>31,695,371</u>	<u>82,812,583</u>		<u>149,871,680</u>	<u>163,446</u>
Total Liabilities	<u>37,941,325</u>	<u>33,695,341</u>	<u>102,297,842</u>	<u>573,771</u>	<u>174,508,279</u>	<u>468,697</u>
Deferred Inflow of Resources						
Differences between Projected and Actual Earnings on Pension Plan Investments	571,983	706,571	779,800		2,058,354	80,229
Total Deferred Inflow of Resources	<u>571,983</u>	<u>706,571</u>	<u>779,800</u>		<u>2,058,354</u>	<u>80,229</u>
Net Position						
Net Investment in Capital Assets	(964,112)	10,789,009	34,368,137		44,193,034	
Restricted For:						
Debt Service	5,619,464		1,232,257		6,851,721	
Unrestricted	17,228,884	7,033,584	25,819,107	269,074	50,350,649	8,704,998
Total Net Position	<u>\$ 21,884,236</u>	<u>\$ 17,822,593</u>	<u>\$ 61,419,501</u>	<u>\$ 269,074</u>	<u>\$ 101,395,404</u>	<u>\$ 8,704,998</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise funds				Governmental Activities	
	Water Fund	Wastewater Fund	Hospital Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues:						
Charges for Services	\$ 8,162,817	\$ 8,827,752	\$ 127,828,455	\$ 2,274,032	\$ 147,093,056	\$ 4,652,743
Other Revenues	219,420	2,661	6,002,106		6,224,187	774,004
Total Operating Revenues	<u>8,382,237</u>	<u>8,830,413</u>	<u>133,830,561</u>	<u>2,274,032</u>	<u>153,317,243</u>	<u>5,426,747</u>
Operating Expenses:						
Personnel Services	1,568,988	1,978,833	62,314,563		65,862,384	531,053
Contractual Services				398,536	398,536	
Supplies and Services	2,100,351	2,215,336	54,489,693	1,645,023	60,450,403	5,025,882
General and Administrative	934,166	1,074,206		209,888	2,218,260	
Depreciation	2,017,364	1,577,467	5,232,129		8,826,960	
Total Operating Expenses	<u>6,620,869</u>	<u>6,845,842</u>	<u>122,036,385</u>	<u>2,253,447</u>	<u>137,756,543</u>	<u>5,556,935</u>
Operating Income (Loss)	<u>1,761,368</u>	<u>1,984,571</u>	<u>11,794,176</u>	<u>20,585</u>	<u>15,560,700</u>	<u>(130,188)</u>
Non-Operating Revenues (Expenses):						
Interest Revenue	188,219	164,769	258,102	2,343	613,433	50,173
Interest Expense	(1,082,132)	(1,117,888)	(1,899,124)		(4,099,144)	
Grant Revenue			375,654	30,000	405,654	
Other Non-Operating Expense			(608,438)		(608,438)	
Total Non-Operating Revenue (Expenses)	<u>(893,913)</u>	<u>(953,119)</u>	<u>(1,873,806)</u>	<u>32,343</u>	<u>(3,688,495)</u>	<u>50,173</u>
Income (Loss) Before Capital Contributions	867,455	1,031,452	9,920,370	52,928	11,872,205	(80,015)
Capital Contributions	495,040	564,492	60,896		1,120,428	
Income (Loss) Before Transfers	1,362,495	1,595,944	9,981,266	52,928	12,992,633	(80,015)
Transfers Out	(96,600)	(96,600)			(193,200)	
Change in Net Position	<u>1,265,895</u>	<u>1,499,344</u>	<u>9,981,266</u>	<u>52,928</u>	<u>12,799,433</u>	<u>(80,015)</u>
Net Position - Beginning of Fiscal Year	22,276,641	18,371,748	78,605,513	216,146	119,470,048	9,017,614
Prior Period Adjustments	(1,658,300)	(2,048,499)	(77,167,778)		(30,874,077)	(232,601)
Net Position - Beginning of Fiscal Year, Restated	20,618,341	16,323,249	51,438,235	216,146	88,595,971	8,785,013
Net Position - End of Fiscal Year	<u>\$ 21,884,236</u>	<u>\$ 17,822,593</u>	<u>\$ 61,419,501</u>	<u>\$ 269,074</u>	<u>\$ 101,395,404</u>	<u>\$ 8,704,998</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				Governmental
	Water	Wastewater	Hospital	Nonmajor Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Patients and Third Parties on Behalf of Patients	\$ -	\$ -	\$ 127,496,279	\$ -	\$ 127,496,279
Cash Received from Operations, other than Patient Services			6,002,106		6,002,106
Cash Received from Users	8,521,631	8,912,205		2,656,748	20,090,584
Cash Payments to Suppliers and Contractors	(1,475,904)	(2,254,355)	(54,563,213)	(2,045,524)	(60,338,996)
Cash Payments for General and Administrative Expenses	(934,166)	(1,074,206)		(209,888)	(2,218,260)
Cash Payments for Employees and Benefit Programs	(1,604,571)	(1,978,210)	(60,394,546)		(63,977,327)
Net Cash Provided (Used) By Operating Activities	4,506,990	3,605,434	18,540,626	401,336	27,054,386
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash Receipts for Interfund Borrowing				555	555
Cash Payments for Interfund Borrowing				(33,820)	(33,820)
Transfers out	(96,600)	(96,600)			(193,200)
Grants			375,654	30,000	405,654
Note Receivable	21,325	37,838			59,163
Other Receivable	1,040	(2,709)			(1,669)
Other Non-Operating Expenses			(608,438)		(608,438)
Net Cash Provided (Used) By Noncapital Financing Activities	(74,235)	(61,471)	(232,784)	(3,265)	(371,755)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Received	184,576	161,671	258,102	2,229	606,578
Proceeds from Sales and Maturities of Investments			3,693,342		3,693,342
Net Cash Provided (Used) in Investing Activities	184,576	161,671	3,951,444	2,229	4,299,920
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Debt Borrowings	31,930,000	20,350,000	50,000,000		102,430,000
Deposits to bond trustee funds			(24,563,193)		(24,563,193)
Principal Payments on Debt Borrowings	(9,651,510)	(29,645,861)	(32,269,160)		(91,566,531)
Capital Contributions	495,040	564,492	60,896		1,120,428
Interest Paid	(1,088,542)	(1,618,612)	(2,067,337)		(4,774,491)
Acquisition of Property, Plant, and Equipment	(1,793,410)	(402,662)	(2,945,806)		(5,141,878)
Net Cash Provided (Used) in Capital and Related Financing Activities	(8,422)	(10,652,643)	(11,784,600)		(22,495,665)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,558,909	(6,947,009)	10,474,656	400,300	8,486,886
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	17,753,290	34,641,718	25,738,024	154,571	78,287,103
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	\$ 22,312,199	\$ 27,694,709	\$ 36,212,710	\$ 554,871	\$ 86,773,989
Noncash Transactions					
Amortization of deferred loss on refunding	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation to Statement of Net Position					
Cash and Investments	\$ 16,371,774	\$ 11,629,237	\$ 36,212,710	\$ 554,871	\$ 64,768,592
Restricted Cash and Investments with Fiscal Agents	5,940,425	16,064,972	32,480,088		54,485,485
Less investments not meeting definition of cash equivalents			(32,480,088)		(32,480,088)
	\$ 22,312,199	\$ 27,694,209	\$ 36,212,710	\$ 554,871	\$ 86,773,989
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ 1,761,368	\$ 1,984,571	\$ 11,794,176	\$ 20,585	\$ 15,560,700
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation and Amortization	2,017,364	1,577,467	5,232,129		8,826,960
Loss on Disposal of Capital Assets			18,463		18,463
Changes in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable	134,511	84,454	527,993	382,716	1,129,676
(Increase) Decrease in Inventories, Prepaid Expenses, Other Receivables, and Other Assets			(121,741)		(121,741)
(Increase) Decrease in Notes Receivable			278,105		278,105
(Increase) Decrease in Estimated Third Party Payor Settlements			(924,421)		(924,421)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	624,447	(39,019)	1,815,905	(1,965)	2,399,368
Increase (Decrease) in Salary/Benefits Payable	7,075	11,069	(228,783)		(210,639)
Increase (Decrease) in Net Pension Obligation - Overfunded			148,300		148,300
Increase (Decrease) in Deposit Payable	745				745
Increase (Decrease) in Unearned Revenue	4,136	(2,662)			1,474
Increase (Decrease) in Net Pension Liability	(31,881)	(39,383)			(71,264)
Increase (Decrease) in Compensated Absences	(10,777)	28,937			18,160
Total Adjustments	2,745,622	1,620,863	6,746,450	380,751	11,493,686
Net Cash Provided (Used) By Operating Activities	\$ 4,506,990	\$ 3,605,434	\$ 18,540,626	\$ 401,336	\$ 27,054,386

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private-Purpose Trust Funds	Agency Fund Legacy Ranch CFD
Assets:		
Cash and Investments	\$ 78,787	\$ 98,061
Cash and Investments with Fiscal Agent	6,956,976	140,632
Taxes Receivable		256
Interest Receivable	60	49
Notes Receivable	11,633	
Other Receivable	16,615	
Advances to City of El Centro	9,413,455	
Discount for advances to City of El Centro	1,198,881	
Capital Assets, Not Being Depreciated	5,763,861	
Capital Assets, Net of Accumulated Depreciation	14,489,180	
Total Assets	37,929,448	\$ 238,998
Liabilities:		
Accounts Payable	14,214	\$ -
Salaries/Benefits Payable	2,129	
Interest Payable	290,121	
Deposits Payable		6,808
Due to Bondholders		232,190
Noncurrent Liabilities:		
Due within One Year	1,424,915	
Due in More than One Year	34,443,265	
Total Liabilities	36,174,644	\$ 238,998
Net Position:		
Unrestricted	1,754,804	
Total Net Position	\$ 1,754,804	

The notes to the financial statements are an integral part of this statement

CITY OF EL CENTRO
STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2015

	Private-Purpose Trust Funds
Additions:	
Investment Revenue	\$ 20,885
Intergovernmental	250,000
Property Taxes	3,252,374
Other Revenue	332
Total Additions	3,523,591
Deductions:	
Administration	
Community Development	2,559,092
Depreciation	584,155
Interest Expense	1,934,256
Total Deductions	5,077,503
Change in Net Position	(1,553,912)
Net Position, Beginning of Fiscal Year	2,926,166
Prior Period Adjustments	382,550
Net Position, Beginning of Fiscal Year, Restated	3,308,716
Net Position, End of Fiscal Year	\$ 1,754,804

The notes to the financial statements are an integral part of this statement

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**NOTES TO
BASIC FINANCIAL STATEMENTS**

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of El Centro was incorporated under the laws of the State of California in 1908 and is governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The El Centro Regional Medical Center (Hospital) is an operating department of the City and is reported within the proprietary fund type.

Blended component units, although legally separate entities are, in substance, part of the City's operations, and so data from these units are combined with data of the City. The City and its component unit have a June 30 fiscal year-end. There are no component units included in this report.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Certain eliminations have been made as prescribed by GASB Statement No. 34 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. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. These statements distinguish between the governmental and business-type activities of the City and between the City and its blended component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues. When both restricted and unrestricted resources are available, unrestricted resources are used only after the restricted resources are depleted.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues, such as charges for services, and result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports one major governmental fund:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes activities such as public protection, public works and facilities, parks one recreation, and community development.

The City reports the following major enterprise funds:

- The *Hospital Fund* accounts for the operations of the El Centro Regional Medical Center, which provides health care services to the community and surrounding area.
- The *Water Fund* accounts for revenues and expenses associated with the treatment and distribution of potable water.
- The *Wastewater Fund* accounts for revenues and expenses associated with the collection and treatment of wastewater.

The City reports the following additional fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis, such as motor vehicle maintenance, worker's compensation, post-employment benefits, and group health insurance.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds. An agency fund such as *Legacy Ranch CFD* is purely custodial in nature (assets equal liabilities) and, thus, does not involve measurement of results of operations. Trust funds, such as Successor Agency to the Redevelopment Agency, use the flow of economic resources measurement focus and the accrual basis of accounting.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and along with the fiduciary fund use the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after fiscal year-end except reimbursement grants which are consider available if they are collected within one year. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, which are recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases are reported as other financing sources.

Property taxes, transient occupancy taxes, and interest are susceptible to accrual. Sales taxes collected and held by the state at fiscal year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

In accordance with GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB No. 62), The City follows all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions (APB), and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, for its business-type activities and enterprise funds. The City has elected under GASB No. 62 to apply all applicable aforementioned pronouncements issued after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes (GAAP) for government units. The Hospital has elected to apply all FASB Statements and Interpretations, APB Opinions and ARBs issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity

1. Deposits and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity (Continued)

1. Deposits and Investments (Continued)

Investments are stated at fair value in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Short-term investments are reported at cost, which approximates fair value. The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Interest, dividends, and realized and unrealized gains and losses, based on the specific identification method, are included in interest revenue when earned.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due 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". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables, including those for the Hospital, are shown net of an allowance for uncollectible accounts. See Note 1-D-12 and Note 1-D-13 for Hospital receivables.

For each fiscal year beginning July 1, taxes are levied on taxable real (secured) and personal (unsecured) property located within the City as of the preceding January 1. Secured property taxes are payable in two installments on November 1, and February 1 of each fiscal year, and become delinquent after December 10 and April 10, respectively. Taxes on unsecured property become delinquent if not paid by August 31. A 10 percent penalty attaches to delinquent taxes, which have been levied on property on the secured roll. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1 ½ percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and is subject to sale by the County Tax Collector.

The only concentrated group of credit risk is Hospital receivables from government agencies. Hospital management does not believe that there is a significant credit risk associated with these government agencies. Management continuously monitors and adjusts reserves and allowances associated with these receivables.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity (Continued)

4. Restricted Assets

Restricted funds are the portion of a fund balance that reflects constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. See below for descriptions of some restricted funds of the City. For additional information regarding Restricted Funds, see Note 16.

Certain assets of special revenue/capital project grant funds are classified as restricted assets because their use is restricted by grant agreements.

Certain resources of the LTA Lease Revenue Bonds Capital Projects Fund and 2011C Bonds City Capital Projects Fund are set aside for the capital projects and are classified as restricted assets because their use is restricted by applicable bond covenants.

Certain resources of the LTA Lease Revenue Bonds Debt Service Fund, Financing Authority Debt Service Fund, and the Water and Wastewater funds are set aside for the repayment of bonds and certificates of participation and are classified as restricted assets on the balance sheet/statement of net position because their use is limited by applicable bond covenants.

Certain resources of the Group Health Insurance internal service fund is classified as restricted because its use is limited by the provisions of plan documents.

Certain resources of the Hospital set aside for the repayment of bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Certain Hospital assets limited as to use primarily include assets held by trustees under indenture agreements and designated assets set aside by the Hospital Board of Trustees for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Certain restricted resources consist of funds limited as to use by donors. Restricted gifts, bequests, and grants are reported as restricted funds until expenditures are made for the donor's intended purpose.

The government-wide statement of net position reports \$67,111,128 of restricted net position.

5. Capital Assets

Capital assets, including infrastructure, are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Capital assets include public domain (infrastructure) general capital assets which consist of certain improvements including roads, bridges, pavements in progress, and right of way. The City defines capital assets as assets with initial, individual costs of more than \$5,000 and an estimated useful life in excess of one year. The Hospital defines capital assets as assets with initial, individual costs of more than \$500 and an estimated

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity (Continued)

5. Capital Assets (Continued)

useful life of at least three years. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Property, plant, and equipment of the City and Hospital are recorded at cost. Property, plant, and equipment donated are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest cost during construction is capitalized when the effects of capitalization materially impact the financial statements.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	
	<u>City</u>	<u>Hospital</u>
Buildings	5-70	5-40
Building Improvements	5-30	5-40
Equipment	3-20	3-15
Office Furniture	5	3-15
Vehicles	3-15	3-15
Infrastructure	20-50	Not Applicable

6. Intangible Assets

The Hospital classifies intangible assets as definite-lived or indefinite lived intangible assets. These assets are stated at cost. Definite-lived intangibles include non-complete covenants. These assets are amortized on a straight-line basis over the lives of the related agreement over four years. The Hospital periodically reviews the appropriateness of the amortization periods related to its definite-lived assets. Indefinite-lived intangibles consist of goodwill arising from the Hospital's purchase of an Oncology Center. In accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, indefinite lived assets are not amortized, but instead are evaluated annually for impairment. To date, the Hospital has not recorded any impairment.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity (Continued)

7. Goodwill

Goodwill for the Hospital represents the excess of purchase price of acquired businesses over the net tangible and identifiable intangible assets acquired and liabilities assumed in connection with the acquisition of an oncology practice in fiscal year 2011. At June 30, 2015, goodwill associated with this transaction was \$3,370,409. The Hospital evaluates goodwill for impairment at least annually or whenever events or changes in circumstances require an interim impairment assessment. The Hospital compares the fair value of each reporting unit to its carrying amount to determine if there is potential goodwill impairment. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill within the reporting unit is less than the carrying value of its goodwill. The Hospital performs its annual test for goodwill and intangible assets as of December 31st using a present value technique (discounted cash flow). The Hospital's management determined that there was no impairment of goodwill as of June 30, 2015.

8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay is accrued when incurred in proprietary funds and reported as a fund liability. The City accrues for compensated absences in the government-wide and proprietary fund financial statements for which they are liable to make a payment directly.

Vacation, sick, and/or annual leave is dependent on the respective employee's bargaining group agreement. Leave provided is to be utilized as sick leave, to attend medical appointments, vacation, etc. Sick leave payoff is available for accumulated sick leave hours over 288 hours. Hospital employees are not paid for accumulated sick leave if they leave before retirement.

Compensated absences have been liquidated in the past fiscal year in the general fund and enterprise funds.

9. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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 has no items at this time that qualifies for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from sources such as: property taxes, grant revenue, and long-term loan receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity (Continued)

10. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method. Bonds payable are reported net of the applicable bond discount in the Hospital Fund.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Net Position and Fund Equity

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. In the Government-wide financial statements, proprietary fund financial statements, and fiduciary financial statements, net position is classified as either net investment in capital assets, restricted, or unrestricted. See note 17 for additional information regarding governmental net position.

In the fund financial statements with the implementation of GASB Statement No. 54, governmental funds report fund balance is either non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, or unassigned fund balance. See Note 18 for additional information regarding the governmental fund balances.

12. Net Patient Service Revenue

Hospital net patient service revenue is reported at estimated net realizable amounts from patients, governmental programs, health maintenance, and preferred provider organizations and insurance contracts under applicable laws, regulations, and program instructions. In some cases, reimbursement is based on formulas, which cannot be determined until after cost reports are filed and audited or otherwise settled by the various programs. Estimation differences between final settlements and amounts accrued in previous years are reflected in net patient service revenue.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Equity (Continued)

13. Allowance for Contractual Adjustments and Doubtful Accounts (Hospital)

Hospital's patient accounts receivable are reduced by allowances for contractual adjustments and doubtful accounts. In evaluating the collectability of patient accounts receivable, the Hospital management analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowances for both contractual adjustments and doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of these allowances. For receivables associated with services provided to patients who have third-party coverage, the Hospital management analyzes contractually due amounts and provides an allowance for doubtful accounts, if necessary. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

14. Land held for resale or exchange

Cost of project land and improvements held for resale or exchange are recorded in the Successor Agency Special Revenue Fund as inventory at the lower of acquisition cost or net realizable value. The fund balance is restricted in an amount equal to the carrying value of land held for resale or exchange.

E. Use of Estimates

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

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers as well as the requirements of Statement No. 50, Pension Disclosures. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 15 and Note 22.

Governmental Accounting Standards Board Statement No. 69

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Implementation of the GASB Statement No. 69 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2015.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 15 and Note 22.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budgets are adopted annually and all annual appropriations lapse at the fiscal year end.

The City utilizes the following procedures when establishing the budgetary data reflected in the financial statements:

Prior to June 30 of each fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at City Hall to obtain citizen input. Prior to July 1, the budget is adopted by motion of the City Council.

The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revision that increases the total appropriations of any fund must be approved by the City Council. The appropriated budget is prepared by fund, function, and department.

Formal budgetary integration is employed as a management control device during the year for all funds.

There were no budgets prepared for the Library Assistance Special Revenue Fund, Cooperative Agreement Special Revenue Fund, and Financing Authority Debt Service Fund.

B. Budget/GAAP Reconciliation

No funds adopted project-length or budgetary basis budgets and, therefore, no schedule reconciling the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances has been prepared.

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2015, expenditures exceeded appropriations in the following funds:

Fund	Final Appropriation	Expenditures	Excess
Nonmajor Fund:			
2011C Bonds City Capital Projects Fund	\$ 3,795	\$ 3,850	\$ 55

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

D. Deficit Fund Equity

At June 30, 2015, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Special Revenue Funds:</u>	
Special Event Fund	\$ 25,387
Used Oil Grant Fund	6
2010 Earthquake Fund	198,160
Police Grant Fund	6,022
 <u>Nonmajor Proprietary Fund:</u>	
Solid Waste Fund	3,829

These fund balance deficits are primarily due to the City incurring costs in excess of revenues. The City will alleviate these deficits as revenues are received. In regards to the 2010 Earthquake Special Revenue Fund, the City has applied for additional grants to try to cover all the incurred expenditures.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 120,500,594
Restricted Cash and investments	32,480,088
Restricted Cash and investments with fiscal agents	44,538,203
Fiduciary funds:	
Cash and investments	176,848
Cash and investments with fiscal agents	7,097,608
Total cash and investments	\$ 204,793,341

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$	4,995
Deposits with financial institutions		36,259,881
Investments		<u>168,528,465</u>
 Total cash and investments		 <u>\$ 204,793,341</u>

A. 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 of El Centro (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
Local Agency Bonds	10 years	None	None
U.S. Treasury Obligations	10 years	None	None
U.S. Government Agency Issues	10 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	None
Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Time Deposits	5 years	None	None
Cal-Trust JPA	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million

The investment policy allows for the above investments, which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. 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 bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
State Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Money Market Deposits	N/A	None	None
Bankers Acceptances	N/A	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreements	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

C. 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 of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 24 Months	25-60 Months	More Than 60 Months
State Investment Pool (LAIF)	\$ 12,675,924	\$ 12,627,000	\$ 48,924	\$ -	\$ -
Mutual Funds - Cal Trust	51,051,115	51,051,115			
U.S. Treasury Notes	4,713,787		4,713,787		
Federal Agency Securities	3,000,000		1,250,000	1,750,000	
Money Market Funds	38,890,170	38,890,170			
Medium Term Notes	2,590,577	349,365	1,951,381	289,831	
Certificates of Deposit	3,971,081	1,301,590	629,491	2,040,000	
Held by Bond Trustees:					
Money Market Deposits	42,889,311	42,889,311			
Local Agency Bonds	8,285,000				8,285,000
Repurchase Agreements	461,500			461,500	
Totals	\$ 168,528,465	\$ 147,108,551	\$ 8,593,583	\$ 4,541,331	\$ 8,285,000

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented on the next page 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 fiscal year end for each investment type.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. Disclosures Relating to Credit Risk (Continued)

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			Not Rated
				AAA	AA	A	
State Investment Pool (LAIF)	\$ 12,675,924	N/A	\$ -	\$ -	\$ -	\$ -	\$ 12,675,924
Mutual Funds - Cal Trust	51,051,115	N/A					51,051,115
U.S. Treasury Notes	4,713,787	N/A	4,713,787				
Federal Agency Securities	3,000,000	N/A		3,000,000			
Money Market Funds	38,890,170	N/A					38,890,170
Medium Term Notes	2,590,577	A				2,590,577	
Certificates of Deposit	3,971,081	N/A					3,971,081
Held by Bond Trustee:							
Money Market Deposits	42,889,311	Aam		42,889,311			
Local Agency Bonds	8,285,000	N/A					8,285,000
Repurchase Agreements	461,500	N/A					461,500
Total	\$ 168,528,465		\$ 4,713,787	\$ 45,889,311	\$ -	\$ 2,590,577	\$ 115,334,790

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
City of El Centro RDA	Tax Allocation Bonds	\$ 8,285,000

G. 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. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

As of June 30, 2015, \$5,502,964 of the City’s deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts. As of June 30, 2015, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

Investment Type	Reported Amount
Mutual Funds - Cal Trust	\$ 51,051,115
U.S. Treasury Notes	4,713,787
Federal Agency Securities	3,000,000
Medium Term Notes	2,590,577
Certificates of Deposit	3,971,081
Money Market Funds	81,779,481
Repurchase Agreements	461,500

G. Investment-in State Investment Pool

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

NOTE 4 – RECEIVABLES

A. Receivables

Accounts, taxes, interest, grants, and other receivable balances of the General, Special Revenue, Capital Projects, Debt Service, Proprietary, and Fiduciary Funds are stated net of allowances for uncollectible accounts. The following is a schedule of receivables at June 30, 2015:

	Receivable	Allowance	Net
Governmental Activities			
Accounts	\$ 128,952	\$ -	\$ 128,952
Taxes	1,468,421		1,468,421
Interest	1,045,504		1,045,504
Grants	1,727,489		1,727,489
Others	1,011,187		1,011,187
Total Governmental Activities	\$ 5,381,553	\$ -	\$ 5,381,553

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 – RECEIVABLES (Continued)

A. Receivables

The following is a schedule of receivables at June 30, 2015: (Continued)

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Business-type Activities			
Accounts	\$ 86,054,720	\$ 69,599,778	\$ 16,454,942
Interest	17,756		17,756
Others	<u>1,130,543</u>		<u>1,130,543</u>
Total Business-type Activities	<u>\$ 87,203,019</u>	<u>\$ 69,599,778</u>	<u>\$ 17,603,241</u>
Fiduciary Funds			
Taxes	\$ 256	\$ -	\$ 256
Interest	109		109
Others	<u>16,615</u>		<u>16,615</u>
Total Fiduciary Funds	<u>\$ 16,980</u>	<u>\$ -</u>	<u>\$ 16,980</u>

B. Notes Receivable

The City administers a residential rehabilitation program, a commercial micro-enterprise program, and a First Time Home Buyer Program. A committee approves the loans, and the funds are disbursed to the contractor awarded the bid upon review of the building inspector, the administrating City, the homeowner and the City. The programs are designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City’s terms. As of February 1, 2012, notes receivable reported under the former redevelopment agency low and moderate income housing fund were transferred to the City successor agency housing fund. The balance of the City’s loans receivable arising from these programs at June 30, 2015 is \$17,645,310.

The Hospital notes receivable consists of amounts due from doctors that were issued loans. The loans are to be forgiven per the loan agreement (either 18 months or 2 years). 1099 forms were issued for the loans and 1099 forms will be issued for any new loans. The balance of the notes receivable for the Hospital was \$278,959.

The Water Fund notes receivable consists of amounts due from homeowners for the installation of water lines and from new developers for the capacity fees. The balance of the notes receivable at June 30, 2015 for the Water Fund is \$139,346.

The Wastewater notes receivable consists of amounts due from new developers for capacity fees. The balance of the notes receivable at June 30, 2015 for the Water Fund is \$35,337.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”.

The following presents a summary of current interfund balances at June 30, 2015:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Nonmajor Special Revenue Funds:	
General	\$ 1,688,824	Recreation Projects	\$ 1,012,536
		2010 Earthquake	198,160
		IID Projects	14,679
Totals	<u>\$ 1,688,824</u>	Police Grant	271,438
		Federal Highway	
		Administration	5,750
		Nonmajor Debt Service Fund:	
		Financing Authority	432
		Nonmajor Proprietary Funds:	
		Solid Waste	<u>185,829</u>
		Totals	<u>\$ 1,688,824</u>

B. Long-term Interfund Advances

Advances from Successor Agency

The former Redevelopment Agency of the City of El Centro (former RDA) issued the Tax Allocations Bonds Series 2011C totaling \$11,095,000 which were acquired by the El Centro Financing Authority prior to the dissolution of the former RDA on February 1, 2012. The Financing Authority acquired the bonds at an approximate 85% discount of the par value totaling \$9,413,455. However, instead of providing the bond proceeds to the former Redevelopment Agency immediately, the City set up an advance payable in the amount of the proceeds (\$9,413,455) and premium of \$1,681,545 due to the former RDA. As the former RDA incurs projects costs, the City will make the payments to all vendors on behalf of the former RDA and reduce the advance payable to the former RDA by that amount. The premium of advances will be amortized over approximately 14.5 years. As of June 30, 2015, the outstanding balance for the premium of advances was \$1,198,881. The advances from the Successor Agency have been reclassified as long-term debt. See Note 20 for additional information in regards to the advances.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

C. Transfers between Funds

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, re-allocations of special revenues, debt service transfers to pay principal and interest payments on bonds, and other post employment benefits. All interfund transfers between individual government funds have been eliminated on the government-wide statements.

The following schedule briefly summarizes the City’s transfer activity for the fiscal year ended June 30, 2015:

Fund	Transfers-in	Transfers-out
Major Fund:		
General	\$ 1,691,117	\$ 313,880
Nonmajor Governmental Funds:		
Gas Tax		1,161,037
Asset Forfeiture		62,366
Local Transportation Authority		1,310,940
LTA Lease Revenue Bonds Debt Service	1,350,306	
Major Proprietary Funds:		
Water		96,600
Wastewater		96,600
Totals	\$ 3,041,423	\$ 3,041,423

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 – CAPITAL ASSETS

Capital Asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance at July 1, 2014	Additions	Deletions	Transfers	Balance at June 30, 2015
<u>Governmental activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 2,254,889	\$ -	\$ -		\$ 2,254,889
Construction in progress		3,438,677		(2,838,235)	3,438,677
Total capital assets, not being depreciated	<u>2,254,889</u>	<u>3,438,677</u>		<u>(2,838,235)</u>	<u>5,693,566</u>
Capital assets, being depreciated:					
Infrastructure	79,530,204				79,530,204
Structures and improvements	79,972,801	1,485,320			81,458,121
Vehicles	6,755,838	165,696			6,921,534
Furniture, equipment, and books	11,588,722	646,854			12,235,576
Total capital assets being depreciated	<u>177,847,565</u>	<u>2,297,870</u>			<u>180,145,435</u>
Less accumulated depreciation for:					
Infrastructure	(48,440,161)	(2,450,920)			(50,891,081)
Structures and improvements	(25,183,268)	(5,505,579)			(30,688,847)
Vehicles	(5,561,257)	(406,144)			(5,967,401)
Furniture, equipment, and books	(10,267,648)	(410,031)			(10,677,679)
Total accumulated depreciation	<u>(89,452,334)</u>	<u>(8,772,674)</u>			<u>(98,225,008)</u>
Total capital assets, being depreciated net	<u>88,395,231</u>	<u>(6,474,804)</u>			<u>81,920,427</u>
Governmental activities capital assets, net	<u>\$ 90,650,120</u>	<u>\$ (3,036,127)</u>	<u>\$ -</u>		<u>\$ 87,613,993</u>
<u>Business-type activities (including Hospital Fund):</u>					
Capital assets, not being depreciated:					
Land and land improvements	\$ 1,748,502	\$ -	\$ -	\$ -	\$ 1,748,502
Construction in progress	8,841,722	4,829,486		(2,838,235)	10,832,973
Total capital assets, not being depreciated	<u>10,590,224</u>	<u>4,829,486</u>		<u>(2,838,235)</u>	<u>12,581,475</u>
Capital assets, being depreciated:					
Structures and improvements	195,455,863	1,167,746	(11,237)	2,838,235	199,450,607
Vehicles	2,274,676	82,063	(328,160)		2,028,579
Equipment	46,741,485	3,452,314	(474,337)		49,719,462
Total capital assets, being depreciated	<u>244,472,024</u>	<u>4,702,123</u>	<u>(813,734)</u>	<u>2,838,235</u>	<u>251,198,648</u>
Less accumulated depreciation for:					
Structures and improvements	(97,533,841)	(6,664,548)	11,237		(104,187,152)
Vehicles	(1,852,901)	(49,200)	328,160		(1,573,941)
Equipment	(36,548,527)	(2,113,212)	455,874		(38,205,865)
Total accumulated depreciation	<u>(135,935,269)</u>	<u>(8,826,960)</u>	<u>795,271</u>		<u>(143,966,958)</u>
Total capital assets, being depreciated net	<u>108,536,755</u>	<u>(4,124,837)</u>	<u>(18,463)</u>	<u>2,838,235</u>	<u>107,231,690</u>
Business-type activities capital assets, net	<u>\$ 119,126,979</u>	<u>\$ 704,649</u>	<u>\$ (18,463)</u>	<u>\$ -</u>	<u>\$ 119,813,165</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

Depreciation

General Government	\$ 195,997
Public Safety	1,396,780
Public Works	2,793,560
Community Development	2,924,225
Parks and Recreation	<u>1,462,112</u>
Total depreciation expense - governmental activities	<u>\$ 8,772,674</u>

Depreciation expense was charged to business-type functions as follows:

Depreciation

Water	\$ 2,017,364
Wastewater	1,577,467
Hospital	<u>5,232,129</u>
Total depreciation expense - business-type activities	<u>\$ 8,826,960</u>

NOTE 7 – COMMITMENTS

A. Construction Contracts

As of June 30, 2015, the Hospital has projects in progress to construct, improve, and equip various routine, ancillary, and support services. The Hospital had recorded \$8,841,722 as construction in progress representing cost capitalized for major repairs and expansion projects on the Hospital's premises. The remaining commitments of the Hospital for future payments on these projects total approximately \$80,000 at June 30, 2015.

B. Operating Leases

The Hospital leases equipment under various noncancelable operating lease arrangements. The various leases expire over the next eight years. Lease expenses amounted to approximately \$1,787,000 in the fiscal year ended June 30, 2015.

Future minimum payments, by fiscal year and in the aggregate, required under noncancelable operating lease obligations consist of the following:

Fiscal Year <u>Ending June 30,</u>	<u>Amount</u>
2016	\$ 941,023
2017	641,793
2018	<u>379,257</u>
Total minimum lease payments	<u>\$ 1,962,073</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES

The following is a schedule of long-term liabilities for Governmental Activities and Business-type Activities for the fiscal year ended June 30, 2015:

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Reductions	Balance at June 30, 2015	Due Within One Year
Governmental Activities:						
Compensated absences	\$ 2,033,537	\$ -	\$ 241,859	\$ (91,178)	\$ 2,184,218	\$ 928,931
Advances from Successor Agency (see note 5)	9,413,455				9,413,455	
Unamortized premiums (see note 5)	1,314,870			(115,989)	1,198,881	115,989
Other post-employment benefits (see note 14)	(2,985,678)		(803,639)	194,000	(3,595,317) *	
PERS side fund (see note 15 and 22)	5,695,680	(5,695,680)				
Lease revenue bonds	12,615,000			(355,000)	12,260,000	370,000
Unamortized discount	(201,812)			11,891	(189,921)	(11,891)
Revenue bonds	9,010,000			(725,000)	8,285,000	740,000
Unamortized discount	(133,971)			11,818	(122,153)	(11,818)
Net pension liability		32,886,875	11,768,700	(16,798,720)	27,856,855	
Capital lease payable	167,804			(52,892)	114,912	55,879
Total	\$ 36,928,885	\$ 27,191,195	\$ 11,206,920	\$ (17,921,070)	\$ 57,405,930	\$ 2,187,090

*Balance is presented as "Net OPEB Asset" in the Statement of Net Position

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Reductions	Balance at June 30, 2015	Due Within One Year
Business-type Activities:						
Water Fund:						
Compensated absences	\$ 231,180	\$ -	\$ 101,303	\$ (112,080)	\$ 220,403	\$ 93,146
Revenue bonds	29,570,000		31,980,000	(29,570,000)	31,980,000	915,000
Unamortized premium	129,880		2,549,327.00	(129,880)	2,549,327	103,474
Installment sale	724,813			(81,510)	643,303	83,955
Net pension liability		1,658,300	847,396	(1,340,428)	1,165,268	
Sewer Fund:						
Compensated absences	232,478		129,738	(100,801)	261,415	105,487
Revenue bonds	28,985,000		20,450,000	(28,985,000)	20,450,000	520,000
Unamortized premium	137,571		2,095,353	(137,571)	2,095,353	125,893
Revenue refunding bonds (2012A)	7,395,000			(445,000)	6,950,000	455,000
Unamortized discount	(56,560)			4,163	(52,397)	(4,163)
Installment sale	2,192,959			(215,861)	1,977,098	222,337
Net pension liability		2,048,499	1,046,788	(1,655,831)	1,439,456	
Hospital Fund:						
Capital leases	2,921,810		4,389,732	(2,398,213)	4,913,329	1,725,224
Notes	4,205,395			(4,205,395)		
Hospital revenue bonds	25,913,000		50,000,000	(25,913,000)	50,000,000	2,795,000
Unamortized discount	(247,448)			247,448		
Net pension liability		30,491,200	11,045,100	(9,116,822)	32,419,478	
Total	\$ 102,335,078	\$ 34,197,999	\$ 124,634,737	\$ (104,155,781)	\$ 157,012,033	\$ 7,140,353

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

A. Governmental Activities – Lease Revenue Bonds Payable

Lease Revenue Bonds. On December 16, 2009, the City issued its \$4,615,000 Lease Revenue Bonds 2009 Series A and \$10,125,000 Lease Revenue Bonds 2009 Series B. The bond funds are to be used for the acquisition, construction, and installation of certain transportation-related improvements within the City. The Series A bonds have a stated interest rate from 2.00% to 4.625% and are payable over a period of twenty years maturing in fiscal year ending 2020. The Series B bonds have a stated interest rate of 8.250% and mature in the fiscal year ending 2032. The Lease Revenue Bonds maturing on or after October 1, 2020, are subject to redemption prior to maturity. The original issue discount on these bonds is being amortized over the life of the bonds and is included with long-term debt on the balance sheet. The principal balance outstanding at June 30, 2015 is \$12,070,079, which is net of the \$189,921 of unamortized original bond discount.

B. Governmental Activities – Revenue Bonds Payable

On May 3, 2011, the El Centro Financing Authority issued the Revenue Bonds Series 2011. The Bonds are being issued to (i) finance the acquisition of the Redevelopment Agency of the City of the City of El Centro, El Centro Redevelopment Project, Tax Allocation Bonds Series 2011C, (ii) fund the Reserve Fund, and (iii) pay costs of issuing the Bonds and the Local Obligations. The Bonds have a stated interest rate from 6.000% to 6.625% and have a maturity date of November 1, 2025. The original issue discount on these bonds is being amortized over the life of the bonds and is included with long-term debt on the balance sheet. The principal balance outstanding at June 30, 2015 is \$8,162,847, which is net of the \$122,153 of unamortized original bond discount. See Note 20 for additional information in regards to the Bonds.

C. Governmental Activities – Capital Lease Payable

On October 11, 2012, the City entered into a capital lease transaction for various equipment in amount of \$281,933. The lease was for the purpose of improving data processing and computerized integration at the City of El Centro Police Department. Future payments on the lease, including interest, are as follows:

Fiscal Year Ending June 30,	Principal
2016	\$ 62,366
2017	62,366
Total minimum lease payments	124,732
Less amount representing interest	(9,820)
Present value of minimum lease payments	<u>\$ 114,912</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

D. Governmental Activities - Long-Term Debt Amortization

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences, advances from successor agency, other post-employment benefits, and PERS side fund) are as follows:

Fiscal Year Ended June 30,	2009 Series A Lease Revenue Bonds		
	Principal	Interest	Total
2016	\$ 370,000	\$ 84,015	\$ 454,015
2017	385,000	68,915	453,915
2018	420,000	52,290	472,290
2019	460,000	33,245	493,245
2020	500,000	11,563	511,563
	<u>2,135,000</u>	<u>250,028</u>	<u>2,385,028</u>
Less bond discount	<u>(1,168)</u>		<u>(1,168)</u>
	<u>\$ 2,133,832</u>	<u>\$ 250,028</u>	<u>\$ 2,383,860</u>

Fiscal Year Ended June 30,	2009 Series B Lease Revenue Bonds		
	Principal	Interest	Total
2016	\$ -	\$ 835,313	\$ 835,313
2017		835,312	835,312
2018		835,313	835,313
2019		835,312	835,312
2020		835,313	835,313
2021-2025	3,245,000	3,546,882	6,791,882
2026-2030	4,585,000	1,941,843	6,526,843
2031-2034	2,295,000	192,431	2,487,431
	<u>10,125,000</u>	<u>9,857,719</u>	<u>19,982,719</u>
Less bond discount	<u>(188,753)</u>		<u>(188,753)</u>
	<u>\$ 9,936,247</u>	<u>\$ 9,857,719</u>	<u>\$ 19,793,966</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

D. Governmental Activities - Long-Term Debt Amortization (Continued)

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences, advances from successor agency, other post-employment benefits, and PERS side fund) are as follows (Continued):

Fiscal Year Ended June 30,	Series 2011 Revenue Bonds		
	Principal	Interest	Total
2016	\$ 740,000	\$ 491,712	\$ 1,231,712
2017	765,000	446,562	1,211,562
2018	775,000	400,362	1,175,362
2019	795,000	353,262	1,148,262
2020	820,000	304,812	1,124,812
2021-2025	3,720,000	792,594	4,512,594
2026-2029	670,000	22,194	692,194
	<u>8,285,000</u>	<u>2,811,498</u>	<u>11,096,498</u>
Less bond discount	<u>(122,153)</u>		<u>(122,153)</u>
	<u>\$ 8,162,847</u>	<u>\$ 2,811,498</u>	<u>\$ 10,974,345</u>

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2016	\$ 740,000	\$ 1,327,025	\$ 2,067,025
2017	1,135,000	1,365,889	2,500,889
2018	1,160,000	1,304,590	2,464,590
2019	1,215,000	1,240,864	2,455,864
2020	1,280,000	1,173,370	2,453,370
2021-2025	7,465,000	4,351,039	11,816,039
2026-2030	5,255,000	1,964,037	7,219,037
2031-2034	2,295,000	192,431	2,487,431
	<u>20,545,000</u>	<u>12,919,245</u>	<u>33,464,245</u>
Less bond discount	<u>(312,074)</u>		<u>(312,074)</u>
	<u>\$ 20,232,926</u>	<u>\$ 12,919,245</u>	<u>\$ 33,152,171</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

E. Business -type Activities – Revenue Bonds

2012 Wastewater Revenue Refunding Bonds Series A. On February 16, 2012 the City issued its \$7,835,000 Wastewater Revenue Refunding Bonds (par value).

The proceeds of the sale of the Wastewater Refunding Bonds will be used to refund all of the outstanding portion of the 1997 Series A Water and Wastewater Revenue Bonds, fund a reserve account for the bonds, and pay costs of issuance.

The City advance refunded the 1997 Series A Water and Wastewater Revenue Bonds to reduce its total debt service over the next sixteen years by \$964,302 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$719,153.

The City has covenanted and agreed to fix, prescribe, and collect rates, fees and charges for the Water Service and the Wastewater Service so that net revenues are at least 1.15 times the installment purchase payments of the 2012 bonds and all parity of obligations due and payable in the fiscal year following the date of such calculation.

The bonds have a stated interest from 2.00% to 3.625% and are payable over a period of 16 years maturing in 2028. The principal balance outstanding at June 30, 2015 is \$6,897,603, which is net of the \$52,397 of unamortized original bond discount.

2014 Series A Water and Wastewater Revenue Bonds. On June 21, 2014, the City issued its \$31,980,000 (par value) Water Revenue Bonds, 2014 Series A and \$20,450,000 (par value) Wastewater Revenue Bonds, 2014 Series A.

The proceeds of the sale of the Wastewater Refunding Bonds will be used to refund all of the outstanding portion of the 2006 Series A Water and Wastewater Revenue Bonds, fund a reserve account for the bonds, and pay costs of issuance.

The City has covenanted and agreed to fix, prescribe, and collect rates and charges for the Water Service and the Wastewater Service so that net revenues are at least 1.15 times the installment purchase payments of the 2014 bonds and all parity of obligations due and payable in the Certificate Year following the date of such calculation.

The bonds have a stated interest from 2.00% to 5.00% and are payable over a period of 20 years maturing in 2036. The principal balance outstanding at June 30, 2015 is \$52,389,130, which includes \$4,644,680 of unamortized original bond premium and net of \$4,685,550 of unamortized deferred loss on refunding.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

F. Business-type Activities – Installment Sale Payable

2003 Enterprise Fund Installment Sale. On December 17, 2002, the City entered into an agreement with the California Infrastructure and Economic Development Bank to sell water and wastewater bonds, the bonds were issued on March 18, 2004.

The proceeds from the issuance of these bonds, \$5,880,100, were used to fund the Alder water/sewer project.

The City has covenanted and agreed to fix, prescribe, and collect rates, fees and charges for the Water Service and the Wastewater Service so that net revenues are at least 1.10 times the installment purchase payments of the 2003 bonds and all Debt Service obligations due and payable in the fiscal year.

The bonds have a stated interest rate of 3.00% and are payable over a period of twenty years maturing in 2022. The 2003 Enterprise bonds maturing on or after October 1, 2014, are subject to redemption prior to maturity. The principal balance outstanding at June 30, 2015 is \$2,620,401.

G. Business-type Activities – Hospital Long Term Debt

El Centro Financing Authority Insured Hospital Revenue Bonds, Series 2015. On March 12, 2015, the Medical Center issued \$50,000,000 of El Centro Financial Authority Insured Medical Center Revenue Bonds, Series A and B, at rates of 3.05% per annum for Series A and the London Interbank Offered Rate (“LIBOR”)-based rate for Series B to refinance the bond Series 2001, pay down the outstanding notes payable balance and to finance the construction of the Medical Center’s expansion project.

The bonds mature at various times (March 1, 2026 through March 1, 2035), with annual payments ranging from \$900,000 to \$2,635,000. The principal balance outstanding at June 30, 2015 is \$50,000,000.

H. Business-type Activities – Capital Leases Payable

Capital Leases. During the year ended June 30, 2015, the Medical Center entered into capital lease facilities totaling approximately \$4,390,000. At June 30, 2015 the remaining dollar amount available for future equipment purchases was approximately \$2,000,000 and there was no balance available for future equipment purchases at June 30, 2015. This amount is invested in cash and cash equivalents and is included in restricted cash for capital projects and equipment in the accompanying balance sheets.

The Medical Center has various equipment capital leases. The lease obligations will be repaid in monthly installments of principal and interest with various maturity dates between September 2015 and May 2020. These leases are secured by related equipment purchased or the restricted cash balances previously described. Amortization of assets held under capital leases is included with depreciation expense. The gross amount of capital assets and related accumulated amortization recorded under the capital leases were approximately \$18,586,000 and \$10,029,000, respectively, as of June 30, 2015 and approximately \$16,586,000 and \$7,632,000, respectively, as of June 30, 2014.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

H. Business-type Activities – Capital Leases Payable (Continued)

The Medical Center leases equipment that does not meet the criteria for capitalization and are classified as operating leases with related rentals charged to operations as incurred. The Medical Center also has several non-cancelable operating leases for various equipment that expire over the next three years. The Medical Center also has various leases where there is no specified term and rental expense is incurred on a month to month basis. Rental expense for all operating leases amounted to approximately \$1,787,000 and \$1,890,000 for the fiscal years ended June 30, 2015 and 2014, respectively.

Lease commitments on these leases, including interest, are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>
2016	\$ 1,819,036
2017	1,132,417
2018	1,132,417
2019	957,143
2020	<u>80,774</u>
Total minimum lease payments	5,121,787
Less amount representing interest	<u>(208,458)</u>
Present value of minimum lease payments	<u><u>\$ 4,913,329</u></u>

I. Business-type Activities – Notes/Loans Payable

Notes Payable. In connection with the acquisition of the oncology practice, the Medical Center entered into two promissory notes totaling \$1,004,000 at an interest rate of 4.99% which matured in December 2014. These notes are unsecured.

On June 28, 2013, the Medical Center converted a \$4,500,000 line of credit into a long term credit agreement with a financial institution for the same amount, maturing on June 28, 2018. The long term note bears interest at one-month LIBOR plus 2.75% and is secured by fixed equipment. The effective interest rate was 2.9% as of June 30, 2014. During the fiscal year ended June 30, 2015, the Medical Center paid off the notes payable and there is no outstanding balance as of June 30, 2015.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

J. Business-type Activities - Long-Term Debt Amortization

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2014 Series A Water Revenue Bonds		
	Principal	Interest	Total
2016	\$ 915,000	\$ 1,268,256	\$ 2,183,256
2017	935,000	1,249,756	2,184,756
2018	960,000	1,226,006	2,186,006
2019	1,000,000	1,191,606	2,191,606
2020	1,040,000	1,150,806	2,190,806
2021-2025	6,330,000	4,996,530	11,326,530
2026-2030	8,295,000	3,299,322	11,594,322
2031-2035	10,225,000	1,355,458	11,580,458
2036-2039	2,280,000	39,900	2,319,900
	31,980,000	15,777,640	47,757,640
Plus bond premium	2,549,327		2,549,327
	<u>\$ 34,529,327</u>	<u>\$ 15,777,640</u>	<u>\$ 50,306,967</u>

Fiscal Year Ended June 30,	2014 Series A Wastewater Revenue Bonds		
	Principal	Interest	Total
2016	\$ 520,000	\$ 877,250	\$ 1,397,250
2017	535,000	866,700	1,401,700
2018	550,000	853,100	1,403,100
2019	565,000	836,375	1,401,375
2020	585,000	816,200	1,401,200
2021-2025	3,750,000	3,649,675	7,399,675
2026-2030	5,445,000	2,493,125	7,938,125
2031-2035	6,940,000	993,525	7,933,525
2036-2039	1,560,000	27,300	1,587,300
	20,450,000	11,413,250	31,863,250
Plus bond premium	2,095,353		2,095,353
	<u>\$ 22,545,353</u>	<u>\$ 11,413,250</u>	<u>\$ 33,958,603</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

J. Business-type Activities - Long-Term Debt Amortization (Continued)

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences) are as follows (Continued):

Fiscal Year Ended June 30,	2012 Series A Wastewater Refunding Bonds		
	Principal	Interest	Total
2016	\$ 455,000	\$ 202,018	\$ 657,018
2017	460,000	191,718	651,718
2018	475,000	180,030	655,030
2019	485,000	168,030	653,030
2020	500,000	168,030	668,030
2021-2025	2,710,000	634,651	3,344,651
2026-2029	1,865,000	177,001	2,042,001
	6,950,000	1,721,478	8,671,478
Less bond discount	(52,397)		(52,397)
	<u>\$ 6,897,603</u>	<u>\$ 1,721,478</u>	<u>\$ 8,619,081</u>

Fiscal Year Ended June 30,	2003 Installment Sale - Water		
	Principal	Interest	Total
2016	\$ 83,955	\$ 19,299	\$ 103,254
2017	86,474	16,780	103,254
2018	89,068	14,186	103,254
2019	91,740	11,514	103,254
2020	94,492	8,762	103,254
2021-2024	197,574	8,936	206,510
	<u>\$ 643,303</u>	<u>\$ 79,477</u>	<u>\$ 722,780</u>

Fiscal Year Ended June 30,	2003 Installment Sale - Wastewater		
	Principal	Interest	Total
2016	\$ 222,337	\$ 55,978	\$ 278,315
2017	229,007	49,207	278,214
2018	235,878	42,234	278,112
2019	242,954	35,052	278,006
2020	250,243	27,654	277,897
2021-2024	796,679	36,322	833,001
	<u>\$ 1,977,098</u>	<u>\$ 246,447</u>	<u>\$ 2,223,545</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

J. Business-type Activities - Long-Term Debt Amortization (Continued)

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences) are as follows (Continued):

Fiscal Year Ended June 30,	Hospital Revenue Bonds, Series 2015		
	Principal	Interest	Total
2016	\$ 2,795,000	\$ 1,478,402	\$ 4,273,402
2017	2,965,000	1,439,753	4,404,753
2018	3,060,000	1,349,321	4,409,321
2019	3,150,000	1,255,990	4,405,990
2020	3,245,000	1,159,916	4,404,916
2021-2025	34,785,000	6,854,236	41,639,236
	<u>\$ 50,000,000</u>	<u>\$ 13,537,618</u>	<u>\$ 63,537,618</u>

Fiscal Year Ended June 30,	Capital Leases Payable		
	Principal	Interest	Total
2016	\$ 1,725,224	\$ 93,812	\$ 1,819,036
2017	1,091,166	41,251	1,132,417
2018	1,092,202	40,215	1,132,417
2019	927,792	29,351	957,143
2020	76,945	3,829	80,774
	<u>\$ 4,913,329</u>	<u>\$ 208,458</u>	<u>\$ 5,121,787</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – LONG-TERM LIABILITIES (Continued)

J. Business-type Activities - Long-Term Debt Amortization (Continued)

The annual requirements to amortize long-term debt outstanding at June 30, 2015 (other than compensated absences) are as follows (Continued):

Fiscal Year Ended June 30,	Total Business-type Activities		
	Principal	Interest	Total
2015	\$ 6,716,516	\$ 3,995,015	\$ 10,711,531
2016	6,301,647	3,855,165	10,156,812
2017	6,462,148	3,705,092	10,167,240
2018	6,462,486	3,527,918	9,990,404
2019	5,791,680	3,335,197	9,126,877
2020-2024	48,569,253	16,180,350	64,749,603
2025-2029	15,605,000	5,969,448	21,574,448
2030-2034	17,165,000	2,348,983	19,513,983
2035-2039	3,840,000	67,200	3,907,200
	<u>116,913,730</u>	<u>42,984,368</u>	<u>159,898,098</u>
Plus bond premium	4,644,680		4,644,680
Less bond discount	(52,397)		(52,397)
	<u>\$ 121,506,013</u>	<u>\$ 42,984,368</u>	<u>\$ 164,490,381</u>

NOTE 9 – RISK MANAGEMENT

The City is exposed to various risks of loss related to workers' compensation claims, torts, the theft of, damage to, and destruction of assets, errors and omission, natural disasters, and group health insurance claims. To deal with these risks, the City has adopted a formal risk management program. As part of this program, various risk control techniques, including employee accident prevention training, are being implemented to minimize accident-related losses. An integral part of the program, however, continues to be insuring arrangements.

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority 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. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Audited financial statements for the Authority are available from Finance Director, at California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California 90623.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – RISK MANAGEMENT (Continued)

B. Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

Payments to the Authority for property and casualty coverage are recorded as expenditures in the General Fund.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – RISK MANAGEMENT (Continued)

B. Insurance Programs of the Authority (Continued)

Workers Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

The City is responsible for workers' compensation claims incurred before July 1, 1997, under its self-insured program. Estimated unpaid claims reflect the maximum probable outcome of all claims without regard to the City's self-insured retention level. Reserves are assessed for indemnity, medical, and expense categories. Indemnity claims are estimated on the basis of computations, which will develop the probable total future cost of compensation and medical benefits due or potentially due. Medical-only claims are estimated on the basis of computations, which will develop the total future cost of medical benefits due or potentially due. Liability estimates are not reduced for third party recoveries, subrogation recoveries, or aggregate excess insurance coverage.

Payments for workers' compensation coverage are recorded as an expense to Workers' Compensation Internal Service Fund. Changes in workers' compensation liability for the current and past two fiscal years are as follows:

Fiscal Years	Balance at Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year Liability
2012-13	\$ 161,812	\$ -	\$ (11,580)	\$ 150,232
2013-14	150,232	869,081	(927,885)	91,428
2014-15	91,428	941,336	(981,688)	51,076

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – RISK MANAGEMENT (Continued)

B. Insurance Programs of the Authority (Continued)

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2015. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of El Centro property is currently insured according to a schedule of covered property submitted by the City of El Centro to the Authority. City of El Centro property currently has all-risk property insurance protection in the amount of \$45,057,283. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

The City did not purchase *Earthquake and Flood Insurance*.

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-2015.

C. Additional Insurance Programs

Group Health Insurance

The "Risks of Loss" to the City under the City sponsored group health insurance plans include major medical, dental, and vision claims. Prior to August 1, 1999, the City contracted with Pacific Mutual Insurance Company for a fully insured plan for medical and dental coverage.

On August 1, 1999, the City implemented a self-funded plan providing for the same benefits as the Pacific Mutual plan. The City's liability is limited to \$100,000 per employee with an overall cap of 125% of projected medical claims and 100% of dental and vision claims..

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 – RISK MANAGEMENT (Continued)

C. Additional Insurance Programs (Continued)

Group Health Insurance (Continued)

The Hospital self-insures against medical costs for its employees and dependents. The Hospital has purchased supplemental coverage for losses in excess of \$175,000 per incident and \$2,000,000 in aggregate. The related liability is reported in accounts payable and accrued expenses on the statement of net position

The Hospital's accrued health insurance losses also include an estimate of possible losses attributable to incidents that may have occurred but not been identified under the incident reporting system. Historically, the actual liabilities incurred have not been materially different than the recorded estimates.

Workers' Compensation Self-Insurance

The Hospital self-insures against workers' compensation losses. The related liability is reported in accounts payable and accrued expenses on the statement of net position. Losses from asserted and unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other consideration including the nature of each claim or incident and relevant trend factors. Historically, the actual losses incurred have not been materially different than the recorded estimates. The amount of liability recorded for Workers' Compensation in 2014-15 was \$1,849,141 and the amount recorded as a liability in 2013-14 was \$1,718,545 which resulted in a net increase in accrued liabilities between the fiscal year ended June 30, 2015 and the fiscal year ended June 30, 2014 of \$130,596.

Medical Malpractice Insurance Coverage

The Hospital maintains medical malpractice insurance on a claims-made basis. The policy provides for a per claim deductible of \$5,000 with per occurrence coverage of \$20 million and aggregate annual coverage limits of \$20 million. In management's opinion, the Hospital has sufficiently accrued an estimated liability for claims incurred prior to June 30, 2013 that are expected to be subsequently reported to the insurance company. The related liability is reported in accounts payable and accrued expenses on the statement of net position.

NOTE 10 – PROPRIETARY FUNDS INFORMATION

The City maintains five enterprise funds. The Water and Wastewater funds account for the provision of basic utility services to all citizens. The Transit fund provides demand-response transit services. The Solid waste fund accounts for trash collection throughout the City. The Hospital is an acute care facility providing health care to the community and surrounding area.

NOTE 11 – CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the State of California. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

There are pending lawsuits involving complaints and cross complaints with the City involving performance of action and for damages incurred but a decision/settlement has not been reached.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 11 – CONTINGENT LIABILITIES (Continued)

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management, that the ultimate disposition of these lawsuits and proceedings will not have a material adverse effect on the financial condition of the City.

Malpractice, workers' compensation, and medical benefits claims have been asserted against the Hospital by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial. There are also known incidents that have occurred through June 30, 2014, that may result in the assertion of additional claims. The Hospital management has accrued their best estimate of these contingent losses.

With changes now made to the pilot and permanent RAC (Recovery Audit Contractor) program, it is expected that RAC program review activities will resume by early next year. It is possible the Hospital has a contingent repayment liability for claims not previously reviewed. However, the Hospital has not received any notice from either the pilot RAC or the new permanent RAC regarding any intent to resume a RAC audit.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Over the last several years, government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers which could result in the imposition of significant fines and penalties as well as significant repayment of previously billed and collected revenue for patient services. Other than the issue discussed above, Hospital's management believes that the Hospital is in substantial compliance with current laws and regulations and that any potential liability arising from compliance issues have been properly reflected in the financial statements or are not considered to be material to the Hospital's financial position and results of operations as of and for the fiscal year ended June 30, 2015.

The Medicare and Medi-Cal government reimbursement programs account for a substantial amount of the Hospital's net patient service revenue. Expenditure reduction efforts and budget concerns within the United States and California legislature continue to create uncertainty over the volume of future health care funding. It is at least reasonably possible that future reimbursements for patient services under these programs could be negatively impacted.

NOTE 12 – NET PATIENT REVENUE

The Hospital has arrangements with third-party payors that provide payments to the Hospital at amounts different from its established rates. A summary of the basis of reimbursement with major third-party payor categories follows:

Medicare - Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicare reimburses the Company for covered outpatient services rendered to Medicare beneficiaries by way of an outpatient prospective payment system based on ambulatory payment classifications.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 12 – NET PATIENT REVENUE (Continued)

Medicare (Continued)

Inpatient non-acute services, certain outpatient services, and defined capital costs related to Medicare beneficiaries are paid based, in part, on a cost reimbursement methodology. The Company is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The estimated amounts due to or from the program are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net patient service revenue in the year examination is substantially completed. Effective January 1, 2014, inpatient services rendered to Medi-Cal program beneficiaries under a diagnostic related group (DRG) methodology. Under this methodology, similar to Medicare, services are paid at prospectively determined rates per discharge according to a patient classification system that is based on clinical, diagnostic, and other factors.

Medi-Cal - Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed under noncontracted payment arrangements. The Hospital is reimbursed using a cost reimbursement methodology. Interim payments are based on a cost to charge ratio with final settlement determined after submission of annual cost reports and audits thereof by the Department of Health Care Services (“DHCS”). The estimated amounts due to or from DHCS are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net patient service revenue in the year examination is substantially complete.

Net Medicare and Medi-Cal program patient service revenue amounted to approximately \$87,533,000 and \$82,402,000, in fiscal years 2015 and 2014, respectively. In fiscal years 2015 and 2014, the Hospital recognized in the statements of revenue, expenses, and changes in net position, a decrease of approximately \$517,000 and \$2,601,000, respectively, in net patient service revenue pertaining to the settlement of prior years’ cost reports.

Commercial Insurance, Health Maintenance Organizations, and Preferred Provider Organizations - The Company has also entered into agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Company under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Other - The Company also provides its services to patients enrolled in programs of commercial insurance carriers, health maintenance organizations and preferred provider organizations under which the Company does not have agreements. The Company recognizes revenue for these patients based on its usual customary rates for these services adjusted for historical trends in the Company’s reimbursement for similar services.

Laws and regulations governing the third party payor arrangements are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 12 – NET PATIENT REVENUE (Continued)

Significant concentrations of gross patient accounts receivable at June 30 were as follows:

	<u>2015</u>	<u>2014</u>
Medicare	\$ 36,851,991	\$ 35,278,150
Medi-Cal	32,685,674	28,652,046
Insurance, third party payors and self pay	<u>18,672,675</u>	<u>19,683,559</u>
Gross patient accounts receivable	88,210,340	83,613,755
Less: Allowances for contractual and bad debt adjustments	<u>(74,664,437)</u>	<u>(69,539,859)</u>
Net patient accounts receivable	<u>\$ 13,545,903</u>	<u>\$ 14,073,896</u>

Significant concentrations of gross patient accounts receivable at June 30, 2015 and 2014 include Medicare, 41% and 34%, respectively, and Medi-Cal, 37% and 42%, respectively.

At June 30, 2015 and 2014, the Medical Center provided allowances for losses on accounts receivable directly from patients totaling \$74,664,437 and \$69,539,859, respectively. Amounts written off to bad debt expense included in net patient service revenue totaled approximately \$14,671,000 and \$14,930,000 for the fiscal years ended June 30, 2015 and 2014, respectively.

Management continually monitors and adjusts the reserves associated with receivables, and does not require collateral. Normal estimation differences between subsequent cash collections on patient accounts receivable and net patient accounts receivable estimated in the prior year are reported as adjustments to net patient service revenue in the current period. These differences increased net patient service revenue by approximately \$2,000,000 and \$3,071,000 for the fiscal years ended June 30, 2015 and 2014, respectively.

NOTE 13 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation program created in accordance with Internal Revenue Code Section 457. The program, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the program, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

The postemployment benefit plan is a single-employer defined healthcare plan administered by the City. The City provides postretirement health, dental, vision, and life insurance benefits, as provided for in various collective bargaining agreements for retirees that meet certain criteria. The City pays 100 percent of the employee's premium for benefit coverage for qualifying management employees and elected & contract employees until age 65 and a portion of the employee's premium for qualifying non-management employees. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

Funding Policy

The City's adopted policy is to contribute an amount sufficient to pay the current fiscal year's premium. For fiscal year 2014/2015, the City contributed \$720,639 of current premiums and additional prefunding of benefits, and \$83,000 as implied subsidy.

Annual OPEB and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No.45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 234,000
Interest on net OPEB obligation	(216,000)
Adjustment to annual required contribution	<u>176,000</u>
Annual OPEB cost (expense)	194,000
Contributions made	(720,639)
Implied subsidy	<u>(83,000)</u>
Increase in net OPEB asset	(609,639)
Net OPEB asset - beginning of fiscal year	<u>(2,985,678)</u>
 Net OPEB asset - end of fiscal year	 <u><u>\$ (3,595,317)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation (Asset)
6/30/2013	\$ 720,000	35.4%	\$ (2,601,951)
6/30/2014	774,820	149.5%	(2,985,678)
6/30/2015	194,000	414.2%	(3,595,317)

The Plan does not issue a separate audited U.S. GAAP-basis postemployment benefit plan report.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date for fiscal year 14/15 and 15/16, the plan was 94% funded. The actuarial accrued liability for benefits was \$6,418,000, and the actuarial value of assets was \$6,037,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$381,000. The covered payroll (annual payroll of active employees covered by the plan) was \$13,081,000, and the ratio of the UAAL to the covered payroll was 2.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 7.25 percent investment rate of return, a projected salary increase assumption rate of 3.25 percent, an inflation rate of 3%, and an annual healthcare cost trend rate of 8.5% initially for Non-Medicare (8.9% for Medicare), reduced by decrements to an ultimate rate of 5.0% (both Non-Medicare and Medicare) after 8 years. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized under the level percent of payroll amortization method less than thirty years and the amortization period used is closed. The remaining amortization period at June 30, 2013 was twenty-five years.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PENSION PLAN

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

A. General Information about the Pension Plan

Plan Descriptions – All qualified employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, cost-sharing and agent multiple-employer defined benefit pension plans, respectively, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	City Miscellaneous Plan		City Safety Plan	
	Prior to July 1, 2013	On or after July 1, 2013	Prior to July 1, 2013	On or after July 1, 2013
Hire date				
Benefit formula	2.5% @ 55	2% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	52 - 67	50	50-57
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%	3%	2.0% to 2.7%
Required employee contribution rates	7.00%	7.00%	9.00%	12.25%
Required employer contribution rates	10.283%	10.283%	58.458%	12.25%

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	152	137
Inactive employees entitled to but not yet receiving benefits	174	82
Active employees	119	123
Total	445	342

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds	

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

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent 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 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

C. Changes in the Net Pension Liability

The change in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2013	\$ 62,249,653	\$ 50,109,258	\$ 12,140,395
Changes during the fiscal year:			
Services Cost	1,215,299	-	1,215,299
Interest on the Total Pension Liability	4,607,233	-	4,607,233
Contribution from the Employer	-	746,065	(746,065)
Contribution from the Employees	-	604,985	(604,985)
Net investment income	-	8,605,215	(8,605,215)
Benefit Payments	(2,855,061)	(2,855,061)	-
Net Changes	2,967,471	7,101,204	(4,133,733)
Balance at June 30, 2014	\$ 65,217,124	\$ 57,210,462	\$ 8,006,662

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

Safety plan:

As of June 30, 2015, the City Safety Plan reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension Liability
<hr/>
\$ 22,454,033
<hr/>

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

Proportion - June 30, 2013	0.56649%
Proportion - June 30, 2014	0.59862%
Change - Increase (Decrease)	0.03213%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's 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:

	Miscellaneous	Safety
1% Decrease	6.50%	6.50%
Net Pension Liability	\$ 16,564,245	\$ 34,473,844
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$ 8,006,662	\$ 22,454,033
1% Increase	8.50%	8.50%
Net Pension Liability	\$ 915,827	\$ 12,550,227

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PENSION PLAN (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$2,502,283. At June 30, 2015, the Local Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,649,312	\$ -
Net differences due to changes in proportions	6,109	
Net differences between projected and actual earnings on plan investments	-	8,640,486
Total	\$ 3,655,421	\$ 8,640,486

\$8,411,289 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30		
2016	\$	(2,168,042)
2017		(2,168,042)
2018		(2,168,042)
2019		(2,136,360)

Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30		
2016	\$	2,182
2017		2,182
2018		1,745

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 16 – EL CENTRO REGIONAL MEDICAL CENTER PENSION PLAN

General Information about the Retirement Plan

Plan description – The Retirement Plan is a single-employer defined benefit pension plan sponsored and administered by the Medical Center. The Retirement Plan covers all employees of the Medical Center hired before January 1, 2010. Employees first hired after December 31, 2009 are not eligible to participate in the Retirement Plan. The Retirement Plan provides retirement and death benefits to participants and its beneficiaries. The Retirement Plan is administered by a retirement plan committee appointed by the Board of Trustees of the Medical Center.

Benefits provided – The Retirement Plan provides retirement and death benefits. Retirement benefits for employees are calculated as the average of the highest consecutive three years of earnings. Employees are eligible to participate on their date of hire. Employees’ retirement benefits vest 100% at sixty years of age and after twenty-five years of completed service. Normal retirement is the later of age 65 and the 5th anniversary of hire. Early retirement is available at age 55 based on credited service to the date of retirement, with a benefit that is actuarially reduced for commencement prior to the normal retirement date. Death benefits are paid as a lump sum equal to the greater of the present value of the participant’s accrued benefit or the participant’s accumulated employee contributions.

Employees covered by benefit terms – At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees (or their beneficiaries) currently receiving benefits	224
Inactive employees entitled to but not yet receiving benefits	995
Active employees	542
	1,761

As of January 1, 2010 the Retirement Plan was closed to new entrants.

Contributions – The Retirement Plan’s funding policy provides for annual employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Medical Center is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2015, participants contributed 4.25% of their annual pay and the Medical Center’s average contribution rate was 11.3% of annual payroll. The contribution requirements of participants and the Medical Center are established and may be amended by the Medical Center’s Board of Trustees.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 16 – EL CENTRO REGIONAL MEDICAL CENTER PENSION PLAN (Continued)

Net Pension Liability

The Medical Center’s net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Salary increases	3.0% including inflation
Investment rate of return	7.5% net of pension plan expense, including inflation

Mortality rates were based on the 2014 Annuitant and Nonannuitant tables for males and females published by the Internal Revenue Service in Notice 2013-49.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	16%	6.5%
International Equity	13%	4.9%
Commodities	4%	1.0%
Alternative Investments	28%	8.0%
Fixed Income	39%	4.1%
Cash	0%	-1.5%
	<u>100%</u>	

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 16 – EL CENTRO REGIONAL MEDICAL CENTER PENSION PLAN (Continued)

Net Pension Liability (Continued)

Discount rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that participant contributions will be made at 4.50% of pay from July 1, 2014 through June 30, 2015, with the contribution rate increasing by 0.25% each July 1st until it caps at 6.00%. Based on those assumptions, the Retirement Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2013	\$ 75,255,200	\$ 44,764,000	\$ 30,491,200
Changes for the year:			
Service Cost	1,586,900	-	1,586,900
Interest	5,589,400	-	5,589,400
Contributions - Employer	-	3,323,900	(3,323,900)
Contributions - Employee	-	1,330,700	(1,330,700)
Actuarial Liability Loss (Gain)	3,839,500	-	3,839,500
Change in Assumptions	(295,300)	-	(295,300)
Benefit Payments Including Return of Participant Contributions	(3,308,000)	(3,308,000)	-
Net Investment Income	-	4,166,922	(4,166,922)
Administrative Expense	-	(29,300)	29,300
Other Changes	-	-	-
Net Changes	7,412,500	5,484,222	1,928,278
Balances at June 30, 2014	\$ 82,667,700	\$ 50,248,222	\$ 32,419,478

The assumed rate of salary increases was changed from 3.50% per year to 3.00% per year.

The mortality assumption was changed from the 2013 Annuitant and Nonannuitant table for males and females to the 2014 Annuitant and Nonannuitant table for males and females published by the Internal Revenue Service in Notice 2013-49.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 16 – EL CENTRO REGIONAL MEDICAL CENTER PENSION PLAN (Continued)

Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the Medical Center, calculated using the discount rate of 7.50%, as well as what the Medical Center’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 24,118,400	\$ 32,419,500	\$ 42,131,500

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the Medical Center recognized pension expense of \$3,865,500. At June 30, 2015, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,166,500	\$ -
Changes of assumptions	-	166,600
Net difference between projected and actual earnings on pension plan assets	-	613,200
Medical Center contributions made after the Measurement Date of June 30, 2014	3,716,700	-
Totals	\$ 5,883,200	\$ 779,800

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:

2016	\$	1,391,000
2017		302,300
2018		(153,300)
2019		(153,300)
	\$	1,386,700

Employees hired after January 1, 2010 are enrolled in a Defined Contribution Plan, 401(a). Employees enrolled in this plan contributed 4.5% of their gross payroll in fiscal year 2015 and the Medical Center matched 4.5%. The Medical Center’s contributions to this plan were approximately \$668,000 and \$626,000 for the fiscal years ended June 30, 2015 and 2014, respectively.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 17 – NET POSITION

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is divided into three captions under GASB Statement No. 63. These captions apply only to net position as determined at the government-wide level and are described below:

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. These principally include debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

Unrestricted describes the portion of net position that does not meet the definition of invested in capital assets or restricted net position.

The government-wide statement of net position reports \$67,111,128 of restricted net position.

None of the restricted net position in the government-wide statement of net position is restricted by enabling legislation.

NOTE 18 – FUND BALANCES

GASB Statement No. 54 requires governmental funds to report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2015, fund balances for governmental funds are made up of the following:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board in the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the governing board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the City Manager may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 18 – FUND BALANCES

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board (or City Manager for assignments) has provided otherwise in its commitment or assignment actions.

The governing board adopted a minimum fund balance policy for the General Fund in order to establish, dedicate, and maintain reserves annually to meet known and estimated future obligations. The General Fund policy is to have not less than 10% of total expenditures in the unassigned fund balance for economic uncertainties.

A detailed schedule of fund balances as of June 30, 2015 is presented below.

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:			
Housing	\$ -	\$ 89,808	\$ 89,808
Special projects		31,815	31,815
Debt service		10,886,701	10,886,701
Community development		2,150,198	2,150,198
Asset forfeiture		1,270,311	1,270,311
Public safety		866,232	866,232
Streets and roads		10,173,886	10,173,886
Landscaping & community facilities district		489,517	489,517
Capital projects		<u>19,249,470</u>	<u>19,249,470</u>
Total restricted fund balances		<u>45,207,938</u>	<u>45,207,938</u>
Committed to:			
Parks and recreation		297,370	297,370
Streets and roads		549,115	549,115
Capital projects		<u>1,055,401</u>	<u>1,055,401</u>
Total committed fund balances		<u>1,901,886</u>	<u>1,901,886</u>
Assigned to:			
Other post employment benefits	<u>4,094,734</u>		<u>4,094,734</u>
Total assigned fund balances	<u>4,094,734</u>		<u>4,094,734</u>
Unassigned	<u>13,503,236</u>	<u>(229,575)</u>	<u>13,273,661</u>
Total unassigned fund balances	<u>13,503,236</u>	<u>(229,575)</u>	<u>13,273,661</u>
Total nonspendable		<u>17,645,310</u>	<u>17,645,310</u>
Total fund balances	<u>\$ 17,597,970</u>	<u>\$ 64,525,559</u>	<u>\$ 82,123,529</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 19 – HOSPITAL FEE

The California Hospital Fee Program (Program) was signed into law by the Governor of California and became effective on January 1, 2010. Amending legislation to conform to changes requested by the Centers for Medicare and Medicaid Services (“CMS”) during the approval process was signed into law on September 8, 2010 by the Governor of California. The Program required a “hospital fee” or “Quality Assurance Fee” (QA Fee) to be paid by certain hospitals to a State fund established to accumulate the assessed QA Fees and receive matching federal funds. QA Fees and corresponding matching federal funds are then paid to participating hospitals in two supplemental payment methodologies, a fee-for-service methodology and a managed care plan methodology.

CMS approved California’s State Plan Amendment and Waiver, as of October 7, 2010, allowing the State to implement the QA Fee and the fee-for-service Supplemental Payment methodology of the legislation.

Additional legislation in March 2011 (“SB 90”) extended the Program for the period from January 1, 2011 through June 30, 2012; however, the extension under SB 90 included only private hospitals and thus excluded the Medical Center. As an alternative, the Non-designated Public Intergovernmental Transfer Program was established under AB 113 in 2011 to allow non-designated public hospitals to access additional federal funds for a two-year period (fiscal years 2011 and 2012). The State failed to extend AB 113 and as such, the Medical Center received no such reimbursement for the year ended June 30, 2013. However, the State has re-established AB 113 for non-designated hospitals beginning in fiscal year 2014.

The Medical Center, as a non-designated public hospital in California, received net supplemental payments of approximately \$2,691,000 for the fiscal year ended June 30, 2015, which is included in net patient services revenue on the statements of revenues, expenses and changes in net position.

NOTE 20 – RELATED PARTY TRANSACTIONS

On February 23, 2011, the City entered into a Reimbursement Agreement with the former Redevelopment Agency (RDA). The former RDA desired to provide funds to finance the cost of the acquisition, installation, construction and/or reimbursement of public infrastructure improvements within or outside the Project Area owned by the City and located in the City. The former RDA entered into a Reimbursement Agreement in which the former RDA agreed to reimburse the City for all costs of the Project Improvements that have been or will be paid or provided for initially by the City either directly or through reimbursement in an amount not to exceed \$4.2 million (amended to \$162 million in an amendment to the agreement). The reimbursement agreement stated that the reimbursement obligation shall constitute an indebtedness of the former RDA to the City which would be payable out of taxes levied in the Project Area and out of any other available funds. The former RDA pledged and granted the City a security interest in and lien on the Tax Revenues, except such pledge is subordinate to any existing bonds, notes, or other forms of indebtedness incurred by the former RDA or as otherwise agreed between the City and the former RDA.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 20 – RELATED PARTY TRANSACTIONS (Continued)

On March 8, 2011, the former RDA issued the El Centro Redevelopment Project Tax Allocation Bonds Series 2011A to the City in the amount of \$5,110,000 to partially satisfy the Reimbursement Agreement between the City and RDA.

On April 7, 2011, the former RDA issued the El Centro Redevelopment Project Tax Allocation Bonds Series 2011B in the amount of \$20,000,000 and the El Centro Redevelopment Project Tax Allocation Bonds Series 2011C in the amount of \$11,095,000 to the City to partially satisfy the Reimbursement Agreement between the City and RDA.

The Tax Allocation Bonds Series 2011A are junior and subordinate to the payment of the Tax Allocation Bonds 2007A&B and the Tax Allocation Bonds Series 2011C.

The Tax Allocation Bonds Series 2011B are secured on a basis subordinate to the Tax Allocation Bonds 2007A&B, the Tax Allocation Bonds Series 2011A, and the Tax Allocation Bonds Series 2011C. Under the Indenture of Trust, there will be no event of default if the former RDA does not pay principal or interest on the Tax Allocation Bonds Series 2011B while the City is the sole holder of the bonds unless the City declares such event of default in a written notice to the Trustec.

The Tax Allocation Bonds Series 2011C are subordinate to the Tax Allocation Bonds 2007 A&B.

The City entered into a commitment agreement and purchase contract with the El Centro Financing Authority (Authority) for the purchase and sale of the Tax Allocation Bonds Series 2011C to the Authority. For the purpose of acquiring the bonds, the Authority issued the El Centro Financing Authority Revenue Bonds Series 2011. A portion of the proceeds of the Authority Bonds were used by the Authority to purchase the Tax Allocation Bonds Series 2011C in the amount of \$11,095,000 from the City. The El Centro Financing Authority issued the Revenue Bonds Series 2011 on May 3, 2011. The remaining proceeds were used to fund the Reserve Fund, and pay costs of issuing the Bonds and the Local Obligations.

The former RDA delivered the Tax Allocation Bonds Series 2011C to the City and the City transferred the Tax Allocation Bonds Series 2011C to the Authority. The Tax Allocation Bonds Series 2011A and 2011B were shown as investments in the City's capital projects fund and the Tax Allocation Bonds Series 2011C is shown as an investment in the Financing Authority fund. As no money was transferred between the former RDA and City for the Tax Allocation Bonds (2011A, 2011B, and 2011C), advances receivable and payable have been set up in the financial statements for the amounts of the Tax Allocation Bonds.

However, in accordance with the Department of Finance letter dated April 1, 2014, the Tax Allocation Bonds Series 2011A and 2011B were disallowed as enforceable obligations since they were created between the City and former RDA and not with an outside entity. Due to this reason, prior period adjustments were made to eliminate the bonds which had been recorded as assets totaling \$25,110,000 in the City's capital projects fund, an advance totaling \$25,110,000 between the City and Successor Agency, and as long term debt totaling \$25,055,000 in the Successor Agency private purpose trust fund.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 21 – SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of El Centro that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 21 – SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

Capital asset activities for the fiscal year ended June 30, 2015 was as follows:

Fiduciary Activities:	<u>Balance at</u>			<u>Balance at</u>
Capital assets, not being depreciated:	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Land and land improvements	\$ 5,763,861	\$ -	\$ -	\$ 5,763,861
Total capital assets, not being depreciated	<u>5,763,861</u>			<u>5,763,861</u>
Capital assets, being depreciated:				
Structures and improvements	20,817,385	886,984		21,704,369
Vehicles	79,772			79,772
Equipment	425,128			425,128
Total capital assets, being depreciated	<u>21,322,285</u>	<u>886,984</u>		<u>22,209,269</u>
Less accumulated depreciation for:				
Structures and improvements	(6,713,298)	(568,021)		(7,281,319)
Vehicles	(68,861)	(5,951)		(74,812)
Equipment	(353,775)	(10,183)		(363,958)
Total accumulated depreciation	<u>(7,135,934)</u>	<u>(584,155)</u>		<u>(7,720,089)</u>
Total capital assets, being depreciated net	<u>14,186,351</u>	<u>302,829</u>		<u>14,489,180</u>
Fiduciary activities capital assets, net	<u>\$ 19,950,212</u>	<u>\$ 302,829</u>	<u>\$ -</u>	<u>\$ 20,253,041</u>

The following is a schedule of long-term liabilities for the fiscal year ended June 30, 2015:

	<u>Balance at</u>			<u>Balance at</u>	<u>Due Within</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>One Year</u>
Tax allocation bonds payable (2007)	\$ 28,545,000	\$ -	\$ (640,000)	\$ 27,905,000	\$ 700,000
Unamortized discount	(336,905)		15,085	(321,820)	(15,085)
Tax allocation bonds payable (2011)	9,010,000		(725,000)	8,285,000	740,000
Total	<u>\$ 37,218,095</u>	<u>\$ -</u>	<u>\$ (1,349,915)</u>	<u>\$ 35,868,180</u>	<u>\$ 1,424,915</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 21 – SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

Tax Allocation Bonds Payable

Tax Allocation Bonds (2007). On May 16, 2007, the former Redevelopment Agency of the City of El Centro issued its \$25,790,000 Tax Allocation Bonds, Series 2007A and \$5,405,000 Tax Allocation Bonds, Series 2007B. A portion of these Series 2007A and Series B Bonds was used to redeem all of the \$7,810,000 1996 bonds outstanding at June 30, 2007. The balance of the bond funds were used to finance public improvements, which constitute redevelopment activity within the Project Area, and finance low and moderate income housing projects of the Agency within the Project Area. The bonds have a stated interest rate from 4.00% to 5.75% and are payable over a period of thirty years maturing in 2036. The principal balance outstanding at June 30, 2015 is \$27,583,180, which is net of the \$321,820 of unamortized original bond discount.

Tax Allocation Bonds (2011). During the fiscal year 2010/2011, the former Redevelopment Agency of the City of El Centro (RDA) issued three tax allocation bonds: El Centro Redevelopment Project Tax Allocation Bonds Series 2011A in the amount of \$5,110,000 on March 8, 2011, the El Centro Redevelopment Project Tax Allocation Bonds Series 2011B in the amount of \$20,000,000 on April 7, 2011, and the El Centro Redevelopment Project Tax Allocation Bonds Series 2011C in the amount of \$11,095,000 on April 7, 2011. Each of the three tax allocation bonds was issued to partially satisfy a Reimbursement Agreement between the City and the former RDA. The Reimbursement Agreement was entered into by the City and RDA to provide funds to the City from the former RDA to finance the cost of the acquisition, installation, construction and/or reimbursement of public infrastructure improvements within or outside of the Project Area owned by the City and located within the City. The Reimbursement Agreement originally stated an amount not to exceed \$4,200,000, but was amended to \$162,000,000 subsequent to the original Reimbursement Agreement.

However, in accordance with the Department of Finance letter dated April 1, 2014, the Tax Allocation Bonds Series 2011A and 2011B were disallowed as enforceable obligations since they were created between the City and former RDA and not with an outside entity.

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 21 – SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

Tax Allocation Bonds Payable (Continued)

The Series 2011C Tax Allocation Bonds are subordinate to the 2007 A/B Tax Allocation Bonds. The Series 2011C Tax Allocation Bonds have a stated interest rate from 6.000% to 6.625% and have a maturity date of November 1, 2025. The principal balance outstanding at June 30, 2015 is \$8,285,000.

The annual requirements to amortize long-term debt outstanding at June 30, 2015 are as follows:

Fiscal Year Ended June 30,	2007 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 600,000	\$ 966,937	\$ 1,566,937
2017	655,000	941,837	1,596,837
2018	695,000	914,837	1,609,837
2019	755,000	885,837	1,640,837
2020	810,000	854,537	1,664,537
2021-2025	5,350,000	3,699,796	9,049,796
2026-2030	8,205,000	2,248,965	10,453,965
2031-2035	3,895,000	892,706	4,787,706
2036-2038	1,925,000	87,862	2,012,862
	<u>22,890,000</u>	<u>11,493,314</u>	<u>34,383,314</u>
Less bond discount	(290,586)		(290,586)
	<u>\$ 22,599,414</u>	<u>\$ 11,493,314</u>	<u>\$ 34,092,728</u>

Fiscal Year Ended June 30,	2007 Series B Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 100,000	\$ 283,762	\$ 383,762
2017	115,000	277,742	392,742
2018	125,000	271,022	396,022
2019	140,000	263,602	403,602
2020	155,000	255,342	410,342
2021-2025	1,145,000	1,113,743	2,258,743
2026-2030	1,990,000	662,687	2,652,687
2031-2035	820,000	247,249	1,067,249
2036-2038	425,000	24,869	449,869
	<u>5,015,000</u>	<u>3,400,018</u>	<u>8,415,018</u>
Less bond discount	(31,234)		(31,234)
	<u>\$ 4,983,766</u>	<u>\$ 3,400,018</u>	<u>\$ 8,383,784</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

**NOTE 21 – SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT
AGENCY (Continued)**

Tax Allocation Bonds Payable (Continued)

The annual requirements to amortize long-term debt outstanding at June 30, 2015 are as follows:
(Continued)

Fiscal Year Ended June 30,	Series 2011C Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 740,000	\$ 491,712	\$ 1,231,712
2017	765,000	446,562	1,211,562
2018	775,000	400,362	1,175,362
2019	795,000	353,262	1,148,262
2020	820,000	304,812	1,124,812
2021-2025	3,720,000	792,594	4,512,594
2026-2029	670,000	22,194	692,194
	<u>\$ 8,285,000</u>	<u>\$ 2,811,498</u>	<u>\$ 11,096,498</u>

Fiscal Year Ended June 30,	Total Tax Allocation Bonds		
	Principal	Interest	Total
2016	\$ 1,440,000	\$ 1,742,411	\$ 3,182,411
2017	1,535,000	1,666,141	3,201,141
2018	1,595,000	1,586,221	3,181,221
2019	1,690,000	1,502,701	3,192,701
2020	1,785,000	1,414,691	3,199,691
2021-2025	10,215,000	5,606,133	15,821,133
2026-2030	10,865,000	2,933,846	13,798,846
2031-2035	4,715,000	1,139,955	5,854,955
2036-2038	2,350,000	112,731	2,462,731
	<u>36,190,000</u>	<u>17,704,830</u>	<u>53,894,830</u>
Less bond discount	<u>(321,820)</u>		<u>(321,820)</u>
	<u>\$ 35,868,180</u>	<u>\$ 17,704,830</u>	<u>\$ 53,573,010</u>

CITY OF EL CENTRO
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 22 – RESTATEMENTS OF FUND BALANCE/NET POSITION

Beginning fund balances/net position have been restated as follows:

A prior period adjustment \$(62,028) was made in the General Fund due to understatement of accounts payable in the prior fiscal year.

Prior period adjustments of \$4,689, \$101, \$6, and \$40 were made in the Asset Forfeiture, Integrated Waste Management, Used Oil Grant, and Department of Conservation special revenue funds, respectively, due to an understatement of receivables in the prior fiscal year.

A prior period adjustment of \$(382,550) was made in the Successor Agency debt service fund due to an understatement of interest payable in the prior fiscal year.

Prior period adjustments were made to reclassify deferred revenue as non-spendable fund balance in the fund statements as follows:

Fund	Prior Period Adjustment
CDBG Special Revenue Fund	\$ 1,670,302
Home Program Special Revenue Fund	4,127,451
Home Grants Special Revenue Fund	4,295,503
HUD Entitlement Program Special Revenue Fund	710,351
CDBG Program Income Special Revenue Fund	664,152
Housing Enabled By Local Partnership SRF	34,393
CALHOME Program Special Revenue Fund	1,009,613
IID Projects Special Revenue Fund	81,477
Successor Agency Housing SRF	5,052,068

These prior period adjustments do not affect the government-wide statements.

Government-wide statement:

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, during fiscal year 2015. The cumulative effect of applying GASB No. 68 and 71 has resulted in a decrease to the net position at July 1, 2014 as follows:

	Governmental Activities	Enterprise Funds		
		Water Fund	Wastewater Fund	Hospital Fund
Net Position at July 1, 2014	\$ 145,899,331	\$ 22,276,641	\$ 18,371,748	\$ 78,605,513
CalPERS Side Fund	5,695,680			
Net pension liabilities	(35,295,150)	(1,766,880)	(2,182,628)	(30,491,200)
Deferred outflow of resources - City's contribution subsequent of the measurement	2,408,275	108,580	134,129	3,323,922
Net Position at July 1, 2014, as Restated	<u>\$ 118,708,136</u>	<u>\$ 20,618,341</u>	<u>\$ 16,323,249</u>	<u>\$ 51,438,235</u>

Note that the above table does not include prior period adjustments made on the fund statements. The prior period adjustment for internal service fund has been included in the adjustment for Governmental Activities.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**Agent Multiple-Employer Defined Benefit Pension Plan – City Miscellaneous Plan
Last 10 Fiscal Years***

Schedule of Changes in the Net Pension Liability and Related Ratios

	Miscellaneous Plan 2015
Measurement Period	2013-14 ¹
Total Pension Liability	
Service Costs	\$ 1,215,299
Interest on the Total Pension Liability	4,607,233
Benefit Payments, including Refunds of Employee Contributions	(2,855,061)
Net Change in Total Pension Liability	2,967,471
Total Pension Liability - Beginning	62,249,653
Total Pension Liability - Ending (a)	\$ 65,217,124
Plan Fiduciary Net Position	
Contribution from the Employer	\$ 746,065
Contribution from the Employees	604,985
Net investment income ²	8,605,215
Benefit Payments	(2,855,061)
Net Change in Plan Fiduciary Net Position	7,101,204
Plan Fiduciary Net Position - Beginning	50,109,258
Plan Fiduciary Net Position - Ending (b)	\$ 57,210,462
Net Pension Liability - Ending (a)-(b)	\$ 8,006,662
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.72%
Covered Employee Payroll	\$ 7,902,333
Net Pension Liability as Percentage of Covered Employee Payroll	101.32%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses.

Note to Schedule:

Benefit Changes: The figures above do not include any liability impact may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: There were no changes in assumptions.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**Agent Multiple-Employer Defined Benefit Pension Plan – City Miscellaneous Plan
Last 10 Fiscal Years***

Schedule of Pension Contributions¹

	Miscellaneous Plan 2015
Actuarially Determined Contribution ²	\$ 746,065
Contributions in Relation to the Actuarially Determined Contribution ²	(746,065)
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll ^{3,4}	\$ 7,902,333
Contributions as a Percentage of Covered Employee Payroll ³	9.44%

¹ Historical information is required 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.

³ Covered Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year \$7,672,168 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2011 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	
Salary Increases	Varies by Entry Age and Service
Payroll Growth	
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**Cost Sharing Defined Benefit Pension Plan – City Safety Plan
As of June 30, 2015**

Schedule of the City’s Safety Plan Proportionate Share of the Net Pension Liability – Last 10 Years*

	<u>June 30, 2015</u>
Proportion of the net pension liability	0.59862%
Proportionate share of the net pension liability	\$ 22,454,033
Covered-employee payroll	\$ 5,399,857
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	415.83%
Plan’s fiduciary net position	\$ 67,281,195
Plan’s total pension liability	\$ 89,735,228
Plan fiduciary net position as a percentage of total pension liability	74.98%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**Cost Sharing Defined Benefit Pension Plan – City Safety Plan
As of June 30, 2015**

Schedule of Pension Contributions – Last 10 Years*

	<u>June 30, 2015</u>
Contractual required contribution (actuarially determined)	\$ 2,825,594
Contributions in relation to the actuarially determined contributions	<u>(2,825,594)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 5,399,857
 Contributions as a percentage of covered-employee payroll	 52.33%

Notes to Schedule

Valuation Date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	7.50%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds

⁽¹⁾The mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Schedule of Funding Progress – Other Post-employment Benefits

Actuarial Valuation Date	Entry Age Normal Cost Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2006	\$ 8,373,000	\$ -	\$ 8,373,000	0%	\$ 10,237,000	81.8%
6/30/2008	8,031,000		8,031,000	0%	13,927,000	57.7%
6/30/2010	7,344,000		7,344,000	0%	13,200,000	55.6%
6/30/2013	6,418,000	6,037,000	381,000	94.1%	13,081,000	2.9%

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**Agent Multiple-Employer Defined Benefit Pension Plan – Hospital Plan
Last 10 Fiscal Years***

Schedule of Changes in the Net Pension Liability and Related Ratios

	<u>June 30. 2015</u>
Total pension liability	
Service cost	\$ 1,586,900
Interest	5,589,400
Actuarial liability loss/(gain)	3,839,500
Change in assumptions	(295,300)
Benefit payments including return of participant contributions	<u>(3,308,000)</u>
Net change in total pension liability	7,412,500
Total pension liability - beginning	<u>75,255,200</u>
Total pension liability - ending (a)	<u>\$ 82,667,700</u>
Plan fiduciary net position	
Contributions by Medical Center	\$ 3,323,900
Contributions by participants	1,330,700
Net investment income	4,166,900
Benefit payments including return of participant contributions	(3,308,000)
Administrative expense	(29,300)
Net change in plan fiduciary net position	5,484,200
Plan fiduciary net position - beginning	<u>14,764,000</u>
Plan fiduciary net position - ending (b)	<u>\$ 50,248,200</u>
Medical Center's net pension liability - ending (a) - (b)	<u>\$ 32,419,500</u>
Plan fiduciary net position as a percentage of the total pension liability	60.78%
Covered employee payroll	\$ 29,865,900
Medical Center's net pension liability as a percentage of covered employee payroll	108.55%

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**CITY OF EL CENTRO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**Agent Multiple-Employer Defined Benefit Pension Plan – Hospital Plan
Last 10 Fiscal Years***

Schedule of Pension Contributions

	June 30, 2015
Actuarially determined contribution	\$ 3,323,900
Contributions in relation to the actuarially determined contribution	3,323,900
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 29,865,900
Contributions as a percentage of covered-employee payroll	11.13%

NOTES TO SCHEDULE

Valuation date	Actuarially determined contribution rates are calculated as of the January 1st prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - closed
Remaining amortization period	17.5 years
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	3.0% average including inflation
Investment rate of return	7.5% net of investment expense, including inflation
Retirement age	65 years
Mortality	2014 Annuitant and Nonannuitant table published in IRS Notice 2014-49

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CITY OF EL CENTRO
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Budgetary Data

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Projects funds. All funding sources are kept separate for both reporting and the use of money. The General Fund is where most City services are funded that are not required to be segregated.

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30 of each fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain citizen input.
3. Prior to July 1, the budget is adopted through passage of a resolution and is not included herein but is published separately.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revision that increases the total appropriations of any fund must be approved by the City Council. The appropriated budget is prepared by fund, function, and department.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

CITY OF EL CENTRO
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Budgetary Data (Continued)

There were no budgets prepared for the Library Assistance Special Revenue Fund, Cooperative Agreement Special Revenue Fund, and Financing Authority Debt Service Fund.

CITY OF EL CENTRO
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,668,000	\$ 13,668,000	\$ 13,572,123	\$ (95,877)
Licenses and Permits	222,200	222,200	256,117	33,917
Intergovernmental	7,380,000	7,632,742	7,821,625	188,883
Charges for Services	563,400	634,175	790,234	156,059
Fines and Forfeitures	160,000	160,000	107,118	(52,882)
Interest	59,000	59,000	90,482	31,482
Other	1,081,000	1,081,000	1,261,444	180,444
Total Revenues	<u>23,133,600</u>	<u>23,457,117</u>	<u>23,899,143</u>	<u>442,026</u>
Expenditures				
Current				
General Government	3,628,498	3,711,796	3,551,014	160,782
Public Safety	14,819,067	14,865,348	13,690,983	1,174,365
Public Works	1,289,829	1,286,829	1,218,352	68,477
Parks and Recreation	2,810,851	2,770,133	2,642,889	127,244
Community Development	1,681,900	1,781,735	1,572,521	209,214
Capital Outlay	4,971,452	6,793,778	1,983,767	4,810,011
Total Expenditures	<u>29,201,597</u>	<u>31,209,619</u>	<u>24,659,526</u>	<u>6,550,093</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,067,997)</u>	<u>(7,752,502)</u>	<u>(760,383)</u>	<u>6,992,119</u>
Other Financing Sources (uses):				
Transfers In	6,394,877	6,394,877	1,691,117	(4,703,760)
Transfers Out	(4,313,880)	(4,313,880)	(313,880)	4,000,000
Total Other Financing Sources (Uses)	<u>2,080,997</u>	<u>2,080,997</u>	<u>1,377,237</u>	<u>(703,760)</u>
Net Change in Fund Balance	<u>(3,987,000)</u>	<u>(5,671,505)</u>	<u>616,854</u>	<u>6,288,359</u>
Fund Balance - July 1, 2014	17,043,144	17,043,144	17,043,144	
Prior Period Adjustments			(62,028)	(62,028)
Fund Balances - July 1, 2014, Restated	<u>17,043,144</u>	<u>17,043,144</u>	<u>16,981,116</u>	<u>(62,028)</u>
Fund Balance - June 30, 2015	<u>\$ 13,056,144</u>	<u>\$ 11,371,639</u>	<u>\$ 17,597,970</u>	<u>\$ 6,226,331</u>

See Note to Required Supplementary Information



**OTHER SUPPLEMENTARY
INFORMATION**

COMBINING STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Gas Tax - This fund is used to account for the City's share of California State gas tax revenue expended for street improvements and maintenance.

Community Development Block Grant (CDBG) - This fund is used to account for revenues and expenditures under the State of California CDBG program.

Library Assistance - This fund is used to account for the expenditure of private donations and grants from the State of California Public Library Fund.

Bus Shelter - This fund is used to account for revenues and expenditures that will be utilized in the maintenance of the Bus Shelters within the City.

Transportation Article 3 - This fund is used to account for State of California Transportation Development Act Funds expended for bicycle and pedestrian projects.

Home Program - This fund is used to account for the expenditure of grant funds received under the California Department of Housing and Community Development Investment Partnership Program.

Rental Rehab HUD - This fund is used to account for revenues and expenditures associated with the California Department of Housing and Urban Development rental rehabilitation program.

Traffic Safety - This fund is used to account for traffic fines and forfeitures received by the City and used for traffic control supplies and equipment.

Home Program Income Admin - This fund is used to account for the administrative expenditures of the HOME program.

Recreation Projects - This fund is used to account for grants and contributions received by the City and used for recreational projects.

Wake Ave Extension - This fund is used for the collection and disbursement of mitigation fees for the construction of Wake Ave.

Special Events - This fund is used to account for activity (revenues and expenditures) related to events held by the City.

Asset Forfeiture - This fund is used to account for revenues distributed by the Department of Justice from drug related seizures.

Local Transportation Authority - This fund is used to account for the revenues and expenditures of funds generated by a one-half cent voter approved sales tax earmarked for street improvements.

Home Grants - This fund is used to account for revenues and expenditures associated with the Home program.

OTS Grant - This fund is used to account for the expenditures of grant funds received from the State of California, Office of Traffic Safety.

State COPS SLESF - This fund is used to account for the revenue and expenditure of funds from the Supplemental Law Enforcement Services Fund (SLESF) pursuant to Section 30061 of the California Government Code (AB 3229).

Annexation Fees - This fund is used to account for the collection and expenditures of annexation fees earmarked for public improvements.

HUD Entitlement - This fund is used to account for all revenues and expenditures authorized using the Entitlement guidelines.

CDBG Program Income - This fund is used to account for the collection of Community Development Block Grant loans made from program income.

Housing Enabled by Local Partnership – This program was set up to provide for a source of funds from which to make mortgage loans to first time home buyers.

CALHOME Program - This program provides mortgage assistance loans to first time home-buyers.

Development Impact Fees - This fund is used to account for the collection and expenditure of development impact fees earmarked for public infrastructure improvements made necessary because of growth.

FHWA Grants - This fund is used to account for the expenditures of grant funds from the FHWA received through the California Department of Transportation.

Soft Drink Franchise - This fund is used to supplement Parks and Recreation activities.

Integrated Waste Management – This fund was set up for the purpose of solid waste management and source reduction recycling.

Used Oil Grant - This fund is used for the establishment and maintenance of local used oil collection programs.

Department of Conservation - This fund is used to administer recycling activities through collection and public education.

Town Center Light and Landscaping District - This fund is used to account for the Town Center Light and Landscaping District.

Household Hazardous Waste - This program is to establish a permanent household hazardous waste collection facility and providing mobile collection events to service remote and underserved residents.

I-8 Imperial Ave. Overpass - This fund is used to account for fees charged on new developments for the overpass project.

EDA Revolving - This fund is used to hold excess EDA Loan funds collected and is not currently used for loans.

Police and Fire Operational - This fund was set up to collect fees to mitigate impact to police and fire services from new developments.

7th and State Bus Terminal - This fund is used to account for the activity of the development of the new bus terminal.

Legacy Ranch L&LD - This fund is used to account for the activity related to the landscape & lighting district.

IV Commons - This fund is used to account for the activity related to the deposits received for the IV Commons.

Fire Mitigation - This fund is used to account for funds used for fire mitigation.

2010 Earthquake – This fund is used to account for activity related to the earthquake that occurred during the fiscal year 2009/2010.

IID Project – This fund is account for grant from IID to help business affected by following and assist them in getting into the business incubator.

Police Grant – This fund is used to account for various police grants from Imperial County.

Successor Agency Housing – This fund set up to account for administrator of the Low Mod program previously administered by the Redevelopment Agency Low Mod fund.

Cooperative Agreement - This fund is used to account for the revenues generated from the coop-agreement related to the construction of Fire Station No. 3.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Orange Ave Regional Lift Station - This fund is used to account for revenues and expenditures charged for the development of the lift station.

Park Development - This fund is used to account for fees charged on new development for the development and maintenance of parks.

Drainage Facility - This fund is used to account for the fees charged on new development for drainage facilities.

Post Office Grant - This grant will be used for the renovation of the Old Post Office Pavilion.

EDA Grant - This grant will be used to help construct infrastructure improvements to serve the commercial development of the El Centro Town Center II, the El Centro Town Village industrial site, and the 8th Street industrial site.

Lotus Parallel - This fund is used to account for revenues and expenditures incurred in the development of the future water and sewer trunk from water and wastewater plants to I-8.

IID Facility Crossing - This fund is used to collect monies from developers for the installation of siphon pipes to allow for the Orange and Hamilton Avenue crossing.

8th Street Overpass Bridge - This fund is used to collect monies from developers for the lighting of the bridge.

Bridge/Road Improvements - This fund is used to collect monies from developers for the bridge and road improvements on Dogwood Rd and related areas.

Federal Highway Administration - This fund is used to account for expenditures of grant funds from the FHWA received through the California Department of Transportation used on miscellaneous projects.

Proposition 1B - This grant provides funds used for safety improvements and repairs to state highways, upgrades to freeways to reduce congestion, repairs to local streets and roads, upgrades to highways along major transportation corridors, improvement to seismic safety of local bridges, expansion of public transit, and reduction of air pollution.

La Brucherie Green Belt - This fund is used to account for the construction of a non-motorized pathway along La Brucherie Road.

Colonia-El Dorado Street - This fund is used to account for grant funds received under the State Community Development grant program for street improvements in the El Dorado Colonia.

LTA Lease Revenue Bonds – This fund is used to account for the funds received from the bond issuance and use of the funds which will be used for the acquisition, construction, and installation of certain transportation-related improvements within the City.

Buena Vista Landscaping & Lighting District - This fund is used to account for the activity related to the new district.

Administration – This fund is used to account for revenue and expenses incurred for administrative activities.

Road Improvement – This fund is used to collect monies from developers for the improvement of various roads through-out the City.

The 2011C Bonds City – This fund is used to account for capital projects based on the debt issuances of the 2011C Tax Allocation Bonds.

The 2011 A & B Projects – This fund is used to account for revenues and expenditures related to the redevelopment capital projects based on the debt issuances of the former Redevelopment Agency and the agreements between the City and the former Redevelopment Agency that occurred in the 2010/2011 fiscal year.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and repayment of debt from governmental resources.

Financing Authority – This fund is used to account for the debt service related activity which includes the issuance of the Revenue Bonds Series 2011 and purchase of the Tax Allocation Bonds Series 2011C.

LTA Lease Revenue Bonds - This fund is used to account for debt service payments for the outstanding lease revenue bonds.

**CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015**

Special Revenue Funds

	Gas Tax	CDBG	Library Assistance	Bus Shelter	Transportation Article 3	Home Program	Rental Rehab-HUD	Traffic Safety	Home Program Income Admin
Assets									
Cash and investments	\$ 280,397	\$ -	\$ 30,484	\$ 220,760	\$ 243,959	\$ 88,402	\$ 301,283	\$ 5,419	\$ 10,103
Receivables:									
Taxes									
Interest	113		19	131	268	60	189	4	3
Grants									
Notes		1,670,302				4,127,451			
Other						1,066		412	
Restricted cash and investments with fiscal agent									
Land held for resale									
Total Assets	<u>\$ 280,510</u>	<u>\$ 1,670,302</u>	<u>\$ 30,503</u>	<u>\$ 220,891</u>	<u>\$ 244,227</u>	<u>\$ 4,216,979</u>	<u>\$ 301,472</u>	<u>\$ 5,835</u>	<u>\$ 10,106</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 3,082	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries/benefits payable									
Deposits									
Due to other funds									
Total Liabilities				<u>3,082</u>					
Fund Balances									
Nonspendable		1,670,302				4,127,451			
Restricted	280,510		30,503	217,809	244,227	89,528	301,472	5,835	10,106
Committed									
Unassigned									
Total Fund Balances (Deficits)	<u>280,510</u>	<u>1,670,302</u>	<u>30,503</u>	<u>217,809</u>	<u>244,227</u>	<u>4,216,979</u>	<u>301,472</u>	<u>5,835</u>	<u>10,106</u>
Total Liabilities and Fund Balances	<u>\$ 280,510</u>	<u>\$ 1,670,302</u>	<u>\$ 30,503</u>	<u>\$ 220,891</u>	<u>\$ 244,227</u>	<u>\$ 4,216,979</u>	<u>\$ 301,472</u>	<u>\$ 5,835</u>	<u>\$ 10,106</u>

(Continued)

116

**CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2015

(Continued)

	Special Revenue Funds								
	Recreation Projects	Wake Ave Extension	Special Events	Asset Forfeiture	Local Transportation Authority	Home Grants	OTS Grant	State COPS SLESF	Annexation Fees
Assets									
Cash and investments	\$ -	\$ 304,698	\$ (23,266)	\$ 1,289,335	\$ 7,213,543	\$ 62,603	\$ 14,436	\$ 109,941	\$ 106,139
Receivables:									
Taxes									
Interest		191		796	4,435	35	8	79	66
Grants	1,627,692								
Notes						4,295,503			
Other							91,505		
Restricted cash and investments with fiscal agent									
Land held for resale									
Total Assets	<u>\$ 1,627,692</u>	<u>\$ 304,889</u>	<u>\$ (23,266)</u>	<u>\$ 1,290,131</u>	<u>\$ 7,217,978</u>	<u>\$ 4,358,141</u>	<u>\$ 14,444</u>	<u>\$ 201,525</u>	<u>\$ 106,205</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 584,052	\$ -	\$ 2,121	\$ 19,820	\$ 503,212	\$ -	\$ -	\$ -	\$ -
Salaries/benefits payable							1,441		
Deposits	230								
Due to other funds	1,012,536								
Total Liabilities	<u>1,596,818</u>		<u>2,121</u>	<u>19,820</u>	<u>503,212</u>		<u>1,441</u>		
Fund Balances									
Nonspendable						4,295,503			
Restricted	30,874			1,270,311	6,714,766	62,638	14,444	200,084	
Committed		304,889							106,205
Unassigned			(25,387)						
Total Fund Balances (Deficits)	<u>30,874</u>	<u>304,889</u>	<u>(25,387)</u>	<u>1,270,311</u>	<u>6,714,766</u>	<u>4,358,141</u>	<u>14,444</u>	<u>200,084</u>	<u>106,205</u>
Total Liabilities and Fund Balances	<u>\$ 1,627,692</u>	<u>\$ 304,889</u>	<u>\$ (23,266)</u>	<u>\$ 1,290,131</u>	<u>\$ 7,217,978</u>	<u>\$ 4,358,141</u>	<u>\$ 14,444</u>	<u>\$ 201,525</u>	<u>\$ 106,205</u>

(Continued)

CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015
 (Continued)

Special Revenue Funds

	HUD Entitlement Program	CDBG Program Income	Housing Enabled By Local Partnership	CALHOME Program	Development Impact Fee	FHWA Grants	Soft Drink Franchise	Integrated Waste Management	Used Oil Grant
Assets									
Cash and investments	\$ 558,807	\$ 481,540	\$ 475,453	\$ 51,926	\$ 2,805,883	\$ 61,010	\$ 415	\$ 149	\$ -
Receivables:									
Taxes									
Interest	381	317	299	34	1,966	39		(45)	
Grants									
Notes	710,351	664,152	34,393	1,009,613					
Other	(18)	4,892		(52)					
Restricted cash and investments with fiscal agent									
Land held for resale									
Total Assets	<u>\$ 1,269,521</u>	<u>\$ 1,150,901</u>	<u>\$ 510,145</u>	<u>\$ 1,061,521</u>	<u>\$ 2,807,849</u>	<u>\$ 61,049</u>	<u>\$ 415</u>	<u>\$ 104</u>	<u>\$ -</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 199,428	\$ 27,656	\$ -	\$ -	\$ 280,482	\$ -	\$ -	\$ -	\$ -
Salaries/benefits payable									
Deposits									
Due to other funds									
Total Liabilities	<u>199,428</u>	<u>27,656</u>			<u>280,482</u>				
Fund Balances									
Nonspendable	710,351	664,152	34,393	1,009,613					
Restricted	359,742	459,093	475,752	51,908	2,527,367	61,049	415	104	
Committed									
Unassigned									
Total Fund Balances (Deficits)	<u>1,070,093</u>	<u>1,123,245</u>	<u>510,145</u>	<u>1,061,521</u>	<u>2,527,367</u>	<u>61,049</u>	<u>415</u>	<u>104</u>	
Total Liabilities and Fund Balances	<u>\$ 1,269,521</u>	<u>\$ 1,150,901</u>	<u>\$ 510,145</u>	<u>\$ 1,061,521</u>	<u>\$ 2,807,849</u>	<u>\$ 61,049</u>	<u>\$ 415</u>	<u>\$ 104</u>	<u>\$ -</u>

(Continued)

**CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015
(Continued)**

	Special Revenue Funds								
	Department of Conservation	Town Center Lighting and Landscape District	Household Hazardous Waste	1-8 Imperial Ave Overpass	EDA Revolving	Police & Fire Operational	7th and State Bus Terminal	Legacy Ranch Lighting and Landscape District	IV Commons
Assets									
Cash and investments	\$ -	\$ 7,506	\$ -	\$ 586,424	\$ 131,235	\$ 438,715	\$ 1,170	\$ 197,398	\$ 67,776
Receivables:									
Taxes								229	
Interest	(6)	5		369	82	276	1	124	42
Grants									
Notes									
Other									
Restricted cash and investments with fiscal agent									
Land held for resale									
Total Assets	<u>\$ (6)</u>	<u>\$ 7,511</u>	<u>\$ -</u>	<u>\$ 586,793</u>	<u>\$ 131,317</u>	<u>\$ 438,991</u>	<u>\$ 1,171</u>	<u>\$ 197,751</u>	<u>\$ 67,818</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 594	\$ -
Salaries/benefits payable									
Deposits		7,500		487,200					61,840
Due to other funds									
Total Liabilities		<u>7,500</u>		<u>487,200</u>				<u>594</u>	<u>61,840</u>
Fund Balances									
Nonspendable									
Restricted		11			131,317	438,991	1,171	197,157	5,978
Committed				99,593					
Unassigned	(6)								
Total Fund Balances (Deficits)	<u>(6)</u>	<u>11</u>		<u>99,593</u>	<u>131,317</u>	<u>438,991</u>	<u>1,171</u>	<u>197,157</u>	<u>5,978</u>
Total Liabilities and Fund Balances	<u>\$ (6)</u>	<u>\$ 7,511</u>	<u>\$ -</u>	<u>\$ 586,793</u>	<u>\$ 131,317</u>	<u>\$ 438,991</u>	<u>\$ 1,171</u>	<u>\$ 197,751</u>	<u>\$ 67,818</u>

(Continued)

**CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015
(Continued)**

	Special Revenue Funds					Capital Projects Funds				
	Fire Mitigation	2010 Earthquake	IID Projects	Police Grant	Successor Agency Housing	Cooperative Agreement	Orange Ave. Regional Lift	Park Development	Drainage Facility	Post Office Grant
Assets										
Cash and investments	\$ 206,749	\$ -	\$ -	\$ -	\$ 29,354	\$ 8,927	\$ 231,545	\$ 297,183	\$ 339,486	\$ 896
Receivables:										
Taxes										
Interest	129				19	5	145	187	213	1
Grants										
Notes			81,477		5,052,068					
Other			23,649	265,960	1,346					
Restricted cash and investments with fiscal agent										
Land held for resale					59,089					
Total Assets	<u>\$ 206,878</u>	<u>\$ -</u>	<u>\$ 105,126</u>	<u>\$ 265,960</u>	<u>\$ 5,141,876</u>	<u>\$ 8,932</u>	<u>\$ 231,690</u>	<u>\$ 297,370</u>	<u>\$ 339,699</u>	<u>\$ 897</u>
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 25	\$ 544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries/benefits payable										
Deposits										
Due to other funds		198,160	14,679	271,438						
Total Liabilities		<u>198,160</u>	<u>14,704</u>	<u>271,982</u>						
Fund Balances										
Nonspendable			81,477		5,052,068					
Restricted	206,878		8,945		89,808	8,932				897
Committed							231,690	297,370	339,699	
Unassigned		(198,160)		(6,022)						
Total Fund Balances (Deficits)	<u>206,878</u>	<u>(198,160)</u>	<u>90,422</u>	<u>(6,022)</u>	<u>5,141,876</u>	<u>8,932</u>	<u>231,690</u>	<u>297,370</u>	<u>339,699</u>	<u>897</u>
Total Liabilities and Fund Balances	<u>\$ 206,878</u>	<u>\$ -</u>	<u>\$ 105,126</u>	<u>\$ 265,960</u>	<u>\$ 5,141,876</u>	<u>\$ 8,932</u>	<u>\$ 231,690</u>	<u>\$ 297,370</u>	<u>\$ 339,699</u>	<u>\$ 897</u>

(Continued)

CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015
 (Continued)

Capital Projects Funds

	EDA Grant	Lotus Parallel	IID Facility Crossing	8th St. Overpass Bridge	Bridge/Road Improvement	Federal Highway Administration	Proposition 1B	La Brucherie Green Belt	Colonia-El Dorado Street
Assets									
Cash and investments	\$ 168,613	\$ 352,594	\$ 157,714	\$ 18,254	\$ 3,993,838	\$ -	\$ 8,693	\$ 7,564	\$ 19,279
Receivables:									
Taxes									
Interest	106	221	99	12	2,522		6	4	12
Grants						99,797			
Notes									
Other									
Restricted cash and investments with fiscal agent									
Land held for resale									
Total Assets	<u>\$ 168,719</u>	<u>\$ 352,815</u>	<u>\$ 157,813</u>	<u>\$ 18,266</u>	<u>\$ 3,996,360</u>	<u>\$ 99,797</u>	<u>\$ 8,699</u>	<u>\$ 7,568</u>	<u>\$ 19,291</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,629	\$ -	\$ -	\$ -
Salaries/benefits payable									
Deposits		304,750	132,960	15,000	3,550,104				
Due to other funds						5,750			
Total Liabilities		<u>304,750</u>	<u>132,960</u>	<u>15,000</u>	<u>3,550,104</u>	<u>8,379</u>			
Fund Balances									
Nonspendable									
Restricted	168,719					91,418	8,699	7,568	19,291
Committed		48,065	24,853	3,266	446,256				
Unassigned									
Total Fund Balances (Deficits)	<u>168,719</u>	<u>48,065</u>	<u>24,853</u>	<u>3,266</u>	<u>446,256</u>	<u>91,418</u>	<u>8,699</u>	<u>7,568</u>	<u>19,291</u>
Total Liabilities and Fund Balances	<u>\$ 168,719</u>	<u>\$ 352,815</u>	<u>\$ 157,813</u>	<u>\$ 18,266</u>	<u>\$ 3,996,360</u>	<u>\$ 99,797</u>	<u>\$ 8,699</u>	<u>\$ 7,568</u>	<u>\$ 19,291</u>

(Continued)

121

CITY OF EL CENTRO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015
(Continued)

	Capital Projects Funds					Debt Service Funds		Total Nonmajor Governmental Funds	
	LTA Lease Revenue Bonds	Buena Vista Landscaping	Administration	Road Improvement	2011C Bonds City	2011 A & B Projects	Financing Authority		LTA Lease Revenue Bonds
Assets									
Cash and investments	\$ 1,515,563	\$ 285,997	\$ -	\$ 648,534	\$ 3,516	\$ 6,024,586	\$ -	\$ 30,295	\$ 30,472,823
Receivables:									
Taxes		314							543
Interest	952	180		622		3,784		20	19,520
Grants									1,727,489
Notes									17,645,310
Other									388,760
Restricted cash and investments with fiscal agent	2,139,948				9,536,040		9,400,569	1,456,249	22,532,806
Land held for resale									59,089
Total Assets	\$ 3,656,463	\$ 286,491	\$ -	\$ 649,156	\$ 9,539,556	\$ 6,028,370	\$ 9,400,569	\$ 1,486,564	\$ 72,846,340
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ 109		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,623,754
Salaries/benefits payable									1,441
Deposits				633,007					5,192,591
Due to other funds							432		1,502,995
Total Liabilities		109		633,007			432		8,320,781
Fund Balances									
Nonspendable									17,645,310
Restricted	3,656,463	286,382		16,149	9,539,556	6,028,370	9,400,137	1,486,564	45,207,938
Committed									1,901,886
Unassigned									(229,575)
Total Fund Balances (Deficits)	3,656,463	286,382		16,149	9,539,556	6,028,370	9,400,137	1,486,564	64,525,559
Total Liabilities and Fund Balances	\$ 3,656,463	\$ 286,491	\$ -	\$ 649,156	\$ 9,539,556	\$ 6,028,370	\$ 9,400,569	\$ 1,486,564	\$ 72,846,340

122

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CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds								
	Gas Tax	CDBG	Library Assistance	Bus Shelter	Transportation Article 3	Home Program	Rental Rehab-HUD	Traffic Safety	Home Program Income Admin
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,245,666			64,983	32,257				11,839
Charges for services								2,735	
Fines and forfeitures								66	
Interest	2,105		158	495	1,679	515	1,783		11
Other						119,625			
Total Revenues	1,247,771		158	65,478	33,936	120,140	1,783	2,801	11,850
Expenditures:									
Current:									
Public safety								14,340	
Public works				30,809					
Parks and recreation									
Community development						108,831			1,337
Capital outlay				19,765	1,175				
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures				50,574	1,175	108,831		14,340	1,337
Excess (Deficiency) of Revenues over (Under) Expenditures	1,247,771		158	14,904	32,761	11,309	1,783	(11,539)	10,513
Other Financing Sources (Uses):									
Transfers In									
Transfers Out	(1,161,037)								
Total Other Financing Sources (Uses)	(1,161,037)								
Net Change in Fund Balances	86,734		158	14,904	32,761	11,309	1,783	(11,539)	10,513
Fund Balances (Deficits) - July 1, 2014	193,776		30,345	202,905	211,466	78,219	299,689	17,374	(407)
Prior period adjustments		1,670,302				4,127,451			
Fund Balances (Deficits)- July 1, 2014 (restated)	193,776	1,670,302	30,345	202,905	211,466	4,205,670	299,689	17,374	(407)
Fund Balances (Deficits) - June 30, 2015	\$ 280,510	\$ 1,670,302	\$ 30,503	\$ 217,809	\$ 244,227	\$ 4,216,979	\$ 301,472	\$ 5,835	\$ 10,106

(Continued)

CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

Special Revenue Funds

	Recreation Projects	Wake Ave Extension	Special Events	Asset Forfeiture	Local Transportation Authority	Home Grants	OTS Grant	State COPS SLESF	Annexation Fees
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,677,070				2,814,925	100,779		91,505	
Charges for services				150,631					
Fines and forfeitures				7,988	37,690	58	87	544	628
Interest	122	1,803							
Other			14,883		21,512				
Total Revenues	1,677,192	1,803	14,883	158,619	2,874,127	100,837	87	92,049	628
Expenditures:									
Current:									
Public safety				133,682				91,505	
Public works					38,788				
Parks and recreation	19,250		36,441						
Community development						100,779			
Capital outlay	1,627,070			125,624	721,724				
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures	1,646,320		36,441	259,306	760,512	100,779		91,505	
Excess (Deficiency) of Revenues over (Under) Expenditures	30,872	1,803	(21,558)	(100,687)	2,113,615	58	87	544	628
Other Financing Sources (Uses):									
Transfers In									
Transfers Out				(62,366)	(1,310,940)				
Total Other Financing Sources (Uses)				(62,366)	(1,310,940)				
Net Change in Fund Balances	30,872	1,803	(21,558)	(163,053)	802,675	58	87	544	628
Fund Balances (Deficits) - July 1, 2014	2	303,086	(3,829)	1,428,675	5,912,091	62,580	14,357	199,540	105,577
Prior period adjustments				4,689		4,295,503			
Fund Balances (Deficits)- July 1, 2014 (restated)	2	303,086	(3,829)	1,433,364	5,912,091	4,358,083	14,357	199,540	105,577
Fund Balances (Deficits) - June 30, 2015	\$ 30,874	\$ 304,889	\$ (25,387)	\$ 1,270,311	\$ 6,714,766	\$ 4,358,141	\$ 14,444	\$ 200,084	\$ 106,205

(Continued)

CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	Special Revenue Funds								
	HUD Entitlement Program	CDBG Program Income	Housing Enabled by Local Partnership	CALHOME Program	Development Impact Fee	FHWA Grants	Soft Drink Franchise	Integrated Waste Management	Used Oil Grant
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	589,706			6,271					
Charges for services					314,002				
Fines and forfeitures									
Interest	3,057	3,156	2,814	172	18,897	361	2		
Other		57,717		29,520			21	164	
Total Revenues	592,763	60,873	2,814	35,963	332,899	361	23	164	
Expenditures:									
Current:									
Public safety									
Public works									
Parks and recreation									
Community development	228,828	86,512							
Capital outlay	612,682	45,875			969,695				
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures	841,510	132,387			969,695				
Excess (Deficiency) of Revenues over (Under) Expenditures	(248,747)	(71,514)	2,814	35,963	(636,796)	361	23	164	
Other Financing Sources (Uses):									
Transfers In									
Transfers Out									
Total Other Financing Sources (Uses)									
Net Change in Fund Balances	(248,747)	(71,514)	2,814	35,963	(636,796)	361	23	164	
Fund Balances (Deficits) - July 1, 2014	608,489	530,607	472,938	15,945	3,164,163	60,688	392	(161)	(6)
Prior period adjustments	710,351	664,152	34,393	1,009,613				101	6
Fund Balances (Deficits)- July 1, 2014 (restated)	1,318,840	1,194,759	507,331	1,025,558	3,164,163	60,688	392	(60)	
Fund Balances (Deficits) - June 30, 2015	\$ 1,070,093	\$ 1,123,245	\$ 510,145	\$ 1,061,521	\$ 2,527,367	\$ 61,049	\$ 415	\$ 104	\$ -

(Continued)

CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	Special Revenue Funds								
	Department of Conservation	Town Center Lighting and Landscape District	Household Hazardous Waste	I-8 Imperial Ave Overpass	EDA Revolving	Police & Fire Operational	7th and State Bus Terminal	Legacy Ranch Lighting and Landscape District	IV Commons
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,207	\$ -
Intergovernmental					9,969				
Charges for services									
Fines and forfeitures									
Interest		11	2	3,470	766	2,492	3	1,186	401
Other									
Total Revenues		<u>11</u>	<u>2</u>	<u>3,470</u>	<u>10,735</u>	<u>2,492</u>	<u>3</u>	<u>8,393</u>	<u>401</u>
Expenditures:									
Current:									
Public safety									
Public works									
Parks and recreation		6							
Community development					195			28,279	
Capital outlay									
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures		<u>6</u>			<u>195</u>			<u>28,279</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(6)</u>	<u>11</u>	<u>2</u>	<u>3,470</u>	<u>10,540</u>	<u>2,492</u>	<u>3</u>	<u>(19,886)</u>	<u>401</u>
Other Financing Sources (Uses):									
Transfers In									
Transfers Out									
Total Other Financing Sources (Uses)									
Net Change in Fund Balances	<u>(6)</u>	<u>11</u>	<u>2</u>	<u>3,470</u>	<u>10,540</u>	<u>2,492</u>	<u>3</u>	<u>(19,886)</u>	<u>401</u>
Fund Balances (Deficits) - July 1, 2014	(40)		(2)	96,123	120,777	436,499	1,168	217,043	5,577
Prior period adjustments	40								
Fund Balances (Deficits)- July 1, 2014 (restated)			(2)	96,123	120,777	436,499	1,168	217,043	5,577
Fund Balances (Deficits) - June 30, 2015	<u>\$ (6)</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 99,593</u>	<u>\$ 131,317</u>	<u>\$ 438,991</u>	<u>\$ 1,171</u>	<u>\$ 197,157</u>	<u>\$ 5,978</u>

(Continued)

CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	Special Revenue Funds						Capital Project Funds			
	Fire Mitigation	2010 Earthquake	IID Project	Police Grant	Successor Agency Housing	Cooperative Agreement	Orange Ave. Regional Lift	Park Development	Drainage Facility	Post Office Grant
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Charges for services		304,559	20,040	324,928						
Fines and forfeitures										
Interest	1,077				154	46	1,370	1,653	2,009	2
Other			7,687		59,150					
Total Revenues	<u>1,077</u>	<u>304,559</u>	<u>27,727</u>	<u>324,928</u>	<u>59,304</u>	<u>46</u>	<u>1,370</u>	<u>1,653</u>	<u>2,009</u>	<u>2</u>
Expenditures:										
Current:										
Public safety				77,826						
Public works										
Parks and recreation										
Community development			20,040							
Capital outlay				244,438						
Debt Service:										
Principal										
Interest and fiscal charges										
Total Expenditures			<u>20,040</u>	<u>322,264</u>						
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>1,077</u>	<u>304,559</u>	<u>7,687</u>	<u>2,664</u>	<u>59,304</u>	<u>46</u>	<u>1,370</u>	<u>1,653</u>	<u>2,009</u>	<u>2</u>
Other Financing Sources (Uses):										
Transfers In										
Transfers Out										
Total Other Financing Sources (Uses)										
Net Change in Fund Balances	<u>1,077</u>	<u>304,559</u>	<u>7,687</u>	<u>2,664</u>	<u>59,304</u>	<u>46</u>	<u>1,370</u>	<u>1,653</u>	<u>2,009</u>	<u>2</u>
Fund Balances (Deficits) - July 1, 2014	205,801	(502,719)	1,258	(8,686)	30,504	8,886	230,320	295,717	337,690	895
Prior period adjustments			81,477		5,052,068					
Fund Balances (Deficits)- July 1, 2014 (restated)	<u>205,801</u>	<u>(502,719)</u>	<u>82,735</u>	<u>(8,686)</u>	<u>5,082,572</u>	<u>8,886</u>	<u>230,320</u>	<u>295,717</u>	<u>337,690</u>	<u>895</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 206,878</u>	<u>\$ (198,160)</u>	<u>\$ 90,422</u>	<u>\$ (6,022)</u>	<u>\$ 5,141,876</u>	<u>\$ 8,932</u>	<u>\$ 231,690</u>	<u>\$ 297,370</u>	<u>\$ 339,699</u>	<u>\$ 897</u>

(Continued)

CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

Capital Project Funds

	EDA Grant	Lotus Parallel	IID Facility Crossing	8th St. Overpass Bridge	Bridge/Road Improvement	Federal Highway Administration	Proposition 1B	La Brucherie Green Belt	Colonia-El Dorado Street
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental						160,836			
Charges for services									
Fines and forfeitures									
Interest	1,071	2,074	933	108	23,821	186	51	45	114
Other									
Total Revenues	<u>1,071</u>	<u>2,074</u>	<u>933</u>	<u>108</u>	<u>23,821</u>	<u>161,022</u>	<u>51</u>	<u>45</u>	<u>114</u>
Expenditures:									
Current:									
Public safety									
Public works									
Parks and recreation									
Community development									
Capital outlay						160,836			
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures						<u>160,836</u>			
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>1,071</u>	<u>2,074</u>	<u>933</u>	<u>108</u>	<u>23,821</u>	<u>186</u>	<u>51</u>	<u>45</u>	<u>114</u>
Other Financing Sources (Uses):									
Transfers In									
Transfers Out									
Total Other Financing Sources (Uses)									
Net Change in Fund Balances	<u>1,071</u>	<u>2,074</u>	<u>933</u>	<u>108</u>	<u>23,821</u>	<u>186</u>	<u>51</u>	<u>45</u>	<u>114</u>
Fund Balances (Deficits) - July 1, 2014	167,648	45,991	23,920	3,158	422,435	91,232	8,648	7,523	19,177
Prior period adjustments									
Fund Balances (Deficits)- July 1, 2014 (restated)	<u>167,648</u>	<u>45,991</u>	<u>23,920</u>	<u>3,158</u>	<u>422,435</u>	<u>91,232</u>	<u>8,648</u>	<u>7,523</u>	<u>19,177</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 168,719</u>	<u>\$ 48,065</u>	<u>\$ 24,853</u>	<u>\$ 3,266</u>	<u>\$ 446,256</u>	<u>\$ 91,418</u>	<u>\$ 8,699</u>	<u>\$ 7,568</u>	<u>\$ 19,291</u>

(Continued)

CITY OF EL CENTRO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015
(Continued)

	Capital Project Funds					Debt Service Funds		Total Nonmajor Governmental Funds	
	LTA Lease Revenue Bonds	Buena Vista Landscaping	Administration	Road Improvement	2011C Bonds City	2011 A & B Projects	Financing Authority		LTA Lease Revenue Bonds
Revenues:									
Taxes	\$ -	\$ 4,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,838
Intergovernmental	271,163								7,726,496
Charges for services									314,002
Fines and forfeitures									153,366
Interest	41,677	1,697		7,465	4,314	35,826	535,663	15,206	769,084
Other									310,279
Total Revenues	<u>312,840</u>	<u>6,328</u>		<u>7,465</u>	<u>4,314</u>	<u>35,826</u>	<u>535,663</u>	<u>15,206</u>	<u>9,285,065</u>
Expenditures:									
Current:									
Public safety									317,353
Public works	7,450								77,047
Parks and recreation									55,697
Community development		15,713			3,850				594,364
Capital outlay	3,082								4,531,966
Debt Service:									
Principal							725,000	407,892	1,132,892
Interest and fiscal charges							535,663	942,414	1,478,077
Total Expenditures	<u>10,532</u>	<u>15,713</u>			<u>3,850</u>		<u>1,260,663</u>	<u>1,350,306</u>	<u>8,187,396</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>302,308</u>	<u>(9,385)</u>		<u>7,465</u>	<u>464</u>	<u>35,826</u>	<u>(725,000)</u>	<u>(1,335,100)</u>	<u>1,097,669</u>
Other Financing Sources (Uses):									
Transfers In								1,350,306	1,350,306
Transfers Out									(2,534,343)
Total Other Financing Sources (Uses)								<u>1,350,306</u>	<u>(1,184,037)</u>
Net Change in Fund Balances	<u>302,308</u>	<u>(9,385)</u>		<u>7,465</u>	<u>464</u>	<u>35,826</u>	<u>(725,000)</u>	<u>15,206</u>	<u>(86,368)</u>
Fund Balances (Deficits) - July 1, 2014	3,354,155	295,767		8,684	9,539,092	5,992,544	10,125,137	1,471,358	46,961,781
Prior period adjustments									17,650,146
Fund Balances (Deficits)- July 1, 2014 (restated)	<u>3,354,155</u>	<u>295,767</u>		<u>8,684</u>	<u>9,539,092</u>	<u>5,992,544</u>	<u>10,125,137</u>	<u>1,471,358</u>	<u>64,611,927</u>
Fund Balances (Deficits) - June 30, 2015	<u>\$ 3,656,463</u>	<u>\$ 286,382</u>	<u>\$ -</u>	<u>\$ 16,149</u>	<u>\$ 9,539,556</u>	<u>\$ 6,028,370</u>	<u>\$ 9,400,137</u>	<u>\$ 1,486,564</u>	<u>\$ 64,525,559</u>



**SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

CITY OF EL CENTRO
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,140,367	\$ 1,245,666	\$ 105,299
Interest	500	2,105	1,605
Total Revenues	<u>1,140,867</u>	<u>1,247,771</u>	<u>106,904</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,140,867</u>	<u>1,247,771</u>	<u>106,904</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(1,274,263)</u>	<u>(1,161,037)</u>	<u>113,226</u>
Total Other Financing Sources (Uses)	<u>(1,274,263)</u>	<u>(1,161,037)</u>	<u>113,226</u>
Net Change in Fund Balance	(133,396)	86,734	220,130
Fund Balance - July 1	<u>193,776</u>	<u>193,776</u>	
Fund Balance - June 30	<u>\$ 60,380</u>	<u>\$ 280,510</u>	<u>\$ 220,130</u>

CITY OF EL CENTRO
BUS SHELTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 50,600	\$ 64,983	\$ 14,383
Interest	300	495	195
Total Revenue	50,900	65,478	14,578
Expenditures:			
Current:			
Public Works	82,440	30,809	51,631
Capital Outlay	60,000	19,765	40,235
Total Expenditures	142,440	50,574	91,866
Net Change in Fund Balance	(91,540)	14,904	106,444
Fund Balance - July 1	202,905	202,905	
Fund Balance - June 30	\$ 111,365	\$ 217,809	\$ 106,444

CITY OF EL CENTRO
TRANSPORTATION ARTICLE 3 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 25,500	\$ 32,257	\$ 6,757
Interest	200	1,679	1,479
Total Revenue	<u>25,700</u>	<u>33,936</u>	<u>8,236</u>
Expenditures:			
Capital Outlay	180,000	1,175	178,825
Total Expenditures	<u>180,000</u>	<u>1,175</u>	<u>178,825</u>
Net Change in Fund Balance	(154,300)	32,761	187,061
Fund Balance - July 1	<u>211,466</u>	<u>211,466</u>	
Fund Balance - June 30	<u>\$ 57,166</u>	<u>\$ 244,227</u>	<u>\$ 187,061</u>

CITY OF EL CENTRO
HOME PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 30	\$ 515	\$ 485
Other	25,720	119,625	93,905
Total Revenue	<u>25,750</u>	<u>120,140</u>	<u>94,390</u>
Expenditures:			
Current:			
Community Development	196,920	108,831	88,089
Total Expenditures	<u>196,920</u>	<u>108,831</u>	<u>88,089</u>
Net Change in Fund Balance	<u>(171,170)</u>	<u>11,309</u>	<u>182,479</u>
Fund Balance - July 1	78,219	78,219	
Prior Period Adjustment		<u>4,127,451</u>	<u>4,127,451</u>
Fund Balance - July 1, Restated	<u>78,219</u>	<u>4,205,670</u>	<u>4,127,451</u>
Fund Balance - June 30	<u>\$ (92,951)</u>	<u>\$ 4,216,979</u>	<u>\$ 4,309,930</u>

CITY OF EL CENTRO
RENTAL REHAB - HUD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 300	\$ 1,783	\$ 1,483
Total Revenue	<u>300</u>	<u>1,783</u>	<u>1,483</u>
Expenditures:			
Current:			
Community Development	280,000		280,000
Total Expenditures	<u>280,000</u>		<u>280,000</u>
Net Change in Fund Balance	(279,700)	1,783	281,483
Fund Balance - July 1	<u>299,689</u>	<u>299,689</u>	
Fund Balance - June 30	<u>\$ 19,989</u>	<u>\$ 301,472</u>	<u>\$ 281,483</u>

CITY OF EL CENTRO
TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Fines and Foreitures	\$ 4,800	\$ 2,735	\$ (2,065)
Interest	50	66	16
Total Revenue	<u>4,850</u>	<u>2,801</u>	<u>(2,049)</u>
Expenditures:			
Current:			
Public Safety	14,340	14,340	
Total Expenditures	<u>14,340</u>	<u>14,340</u>	
Net Change in Fund Balance	(9,490)	(11,539)	(2,049)
Fund Balance - July 1	<u>17,374</u>	<u>17,374</u>	
Fund Balance - June 30	<u>\$ 7,884</u>	<u>\$ 5,835</u>	<u>\$ (2,049)</u>

CITY OF EL CENTRO
HOME PROGRAM INCOME ADMIN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 5,000	\$ 11,839	\$ 6,839
Interest		11	11
Total Revenue	<u>5,000</u>	<u>11,850</u>	<u>6,850</u>
Expenditures:			
Current:			
Community Development	<u>5,000</u>	<u>1,337</u>	<u>3,663</u>
Total Expenditures	<u>5,000</u>	<u>1,337</u>	<u>3,663</u>
Net Change in Fund Balance		10,513	10,513
Fund Balance (Deficit) - July 1	<u>(407)</u>	<u>(407)</u>	
Fund Balance (Deficit) - June 30	<u>\$ (407)</u>	<u>\$ 10,106</u>	<u>\$ 10,513</u>

CITY OF EL CENTRO
RECREATION PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,152,001	\$ 1,677,070	\$ (474,931)
Interest		122	122
Total Revenue	<u>2,152,001</u>	<u>1,677,192</u>	<u>(474,809)</u>
Expenditures:			
Current:			
Parks and recreation	50,000	19,250	30,750
Capital outlay	2,102,001	1,627,070	474,931
Total Expenditures	<u>2,152,001</u>	<u>1,646,320</u>	<u>505,681</u>
Net Change in Fund Balance		30,872	30,872
Fund Balance - July 1	<u>2</u>	<u>2</u>	
Fund Balance - June 30	<u>\$ 2</u>	<u>\$ 30,874</u>	<u>\$ 30,872</u>

CITY OF EL CENTRO
WAKE AVE EXTENSION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 450	\$ 1,803	\$ 1,353
Total Revenue	450	1,803	1,353
Net Change in Fund Balance	450	1,803	1,353
Fund Balance - July 1	303,086	303,086	
Fund Balance - June 30	\$ 303,536	\$ 304,889	\$ 1,353

CITY OF EL CENTRO
SPECIAL EVENTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Other	\$ 30,000	\$ 14,883	\$ (15,117)
Total Revenue	<u>30,000</u>	<u>14,883</u>	<u>(15,117)</u>
Expenditures:			
Current:			
Parks and Recreation	39,590	36,441	3,149
Total Expenditures	<u>39,590</u>	<u>36,441</u>	<u>3,149</u>
 Net Change in Fund Balance	 (9,590)	 (21,558)	 (11,968)
 Fund Balance (Deficit) - July 1	 <u>(3,829)</u>	 <u>(3,829)</u>	 <u></u>
 Fund Balance (Deficit) - June 30	 <u>\$ (13,419)</u>	 <u>\$ (25,387)</u>	 <u>\$ (11,968)</u>

CITY OF EL CENTRO
ASSET FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 50,000	\$ 150,631	\$ 100,631
Interest	2,000	7,988	5,988
Total Revenue	<u>52,000</u>	<u>158,619</u>	<u>106,619</u>
Expenditures:			
Current:			
Public Safety	170,000	133,682	36,318
Capital Outlay	390,045	125,624	264,421
Total Expenditures	<u>560,045</u>	<u>259,306</u>	<u>300,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(508,045)</u>	<u>(100,687)</u>	<u>407,358</u>
Other Financing Sources (Uses):			
Transfers out	<u>(62,366)</u>	<u>(62,366)</u>	
Total Other Financing Sources (Uses)	<u>(62,366)</u>	<u>(62,366)</u>	
Net Change in Fund Balance	<u>(570,411)</u>	<u>(163,053)</u>	<u>407,358</u>
Fund Balance - July 1	1,428,675	1,428,675	
Prior Period Adjustments		<u>4,689</u>	<u>4,689</u>
Fund Balance - July 1 (Restated)	<u>1,428,675</u>	<u>1,433,364</u>	<u>4,689</u>
Fund Balance - June 30	<u>\$ 858,264</u>	<u>\$ 1,270,311</u>	<u>\$ 412,047</u>

CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,100,000	\$ 2,814,925	\$ (285,075)
Interest	7,000	37,690	30,690
Other		21,512	21,512
Total Revenue	3,107,000	2,874,127	(232,873)
Expenditures:			
Current:			
Public Works	260,000	38,788	221,212
Capital Outlay	2,296,532	721,724	1,574,808
Total Expenditures	2,556,532	760,512	1,796,020
Excess (Deficiency) of Revenues Over (Under) Expenditures	550,468	2,113,615	1,563,147
Other Financing Sources (Uses):			
Transfers Out	(1,310,940)	(1,310,940)	
Total Other Financing Sources (Uses)	(1,310,940)	(1,310,940)	
Net Change in Fund Balance	(760,472)	802,675	1,563,147
Fund Balance - July 1	5,912,091	5,912,091	
Fund Balance - June 30	\$ 5,151,619	\$ 6,714,766	\$ 1,563,147

CITY OF EL CENTRO
HOME GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 308,850	\$ 100,779	\$ (208,071)
Interest		58	58
Total Revenue	<u>308,850</u>	<u>100,837</u>	<u>(208,013)</u>
Expenditures:			
Current:			
Community Development	308,850	100,779	208,071
Total Expenditures	<u>308,850</u>	<u>100,779</u>	<u>208,071</u>
Net Change in Fund Balance		58	58
Fund Balance - July 1	62,580	62,580	
Prior Period Adjustment		4,295,503	4,295,503
Fund Balance - July 1, Restated	<u>62,580</u>	<u>4,358,083</u>	<u>4,295,503</u>
Fund Balance - June 30	<u>\$ 62,580</u>	<u>\$ 4,358,141</u>	<u>\$ 4,295,561</u>

CITY OF EL CENTRO
COOPERATIVE AGREEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ -	\$ 46	\$ 46
Total Revenues	<u> </u>	<u>46</u>	<u>46</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> </u>	<u>46</u>	<u>46</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(8,842)</u>	<u> </u>	<u>8,842</u>
Total Other Financing Sources (Uses)	<u>(8,842)</u>	<u> </u>	<u>8,842</u>
Net Changes in Fund Balance	(8,842)	46	8,888
Fund Balance - July 1	<u>8,886</u>	<u>8,886</u>	<u> </u>
Fund Balance - June 30	<u>\$ 44</u>	<u>\$ 8,932</u>	<u>\$ 8,888</u>

CITY OF EL CENTRO
STATE COPS SLESF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 100,000	\$ 91,505	\$ (8,495)
Interest	200	544	344
Total Revenue	<u>100,200</u>	<u>92,049</u>	<u>(8,151)</u>
Expenditures:			
Current:			
Public Safety	93,696	91,505	2,191
Total Expenditures	<u>93,696</u>	<u>91,505</u>	<u>2,191</u>
Net Change in Fund Balance	6,504	544	(5,960)
Fund Balance - July 1	<u>199,540</u>	<u>199,540</u>	
Fund Balance - June 30	<u>\$ 206,044</u>	<u>\$ 200,084</u>	<u>\$ (5,960)</u>

CITY OF EL CENTRO
ANNEXATION FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 150	\$ 628	\$ 478
Total Revenue	<u>150</u>	<u>628</u>	<u>478</u>
Net Change in Fund Balance	150	628	478
Fund Balance - July 1	<u>105,577</u>	<u>105,577</u>	
Fund Balance - June 30	<u>\$ 105,727</u>	<u>\$ 106,205</u>	<u>\$ 478</u>

CITY OF EL CENTRO
HUD ENTITLEMENT PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 819,664	\$ 589,706	\$ (229,958)
Interest	500	3,057	2,557
Total Revenue	820,164	592,763	(227,401)
Expenditures:			
Current:			
Community Development	278,028	228,828	49,200
Capital Outlay	893,927	612,682	281,245
Total Expenditures	1,171,955	841,510	330,445
Net Change in Fund Balance	(351,791)	(248,747)	103,044
Fund Balance - July 1	608,489	608,489	
Prior Period Adjustment		710,351	710,351
Fund Balance - July 1, Restated	608,489	1,318,840	710,351
Fund Balance - June 30	\$ 256,698	\$ 1,070,093	\$ 813,395

CITY OF EL CENTRO
CDBG PROGRAM INCOME SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 500	\$ 3,156	\$ 2,656
Other	43,100	57,717	14,617
Total Revenue	43,600	60,873	17,273
Expenditures:			
Current:			
Community Development	81,553	86,512	(4,959)
Capital Outlay	370,518	45,875	324,643
Total Expenditures	452,071	132,387	319,684
Net Change in Fund Balance	(408,471)	(71,514)	336,957
Fund Balance - July 1	530,607	530,607	
Prior Period Adjustment		664,152	664,152
Fund Balance - July 1, Restated	530,607	1,194,759	664,152
Fund Balance - June 30	\$ 122,136	\$ 1,123,245	\$ 1,001,109

CITY OF EL CENTRO
HOUSING ENABLED BY LOCAL PARTNERSHIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 400	\$ 2,814	\$ 2,414
Total Revenue	400	2,814	2,414
Expenditures:			
Current:			
Community Development	470,000		470,000
Total Expenditures	470,000		470,000
Net Change in Fund Balance	(469,600)	2,814	472,414
Fund Balance - July 1	472,938	472,938	
Prior Period Adjustment		34,393	34,393
Fund Balance - July 1, Restated	472,938	507,331	34,393
Fund Balance - June 30	\$ 3,338	\$ 510,145	\$ 506,807

CITY OF EL CENTRO
CALHOME PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 6,271	\$ 6,271
Interest		172	172
Other	385	29,520	\$ 29,135
Total Revenue	<u>385</u>	<u>35,963</u>	<u>35,578</u>
Expenditures:			
Current:			
Community Development	13,150		13,150
Total Expenditures	<u>13,150</u>		<u>13,150</u>
Net Change in Fund Balance	<u>(12,765)</u>	<u>35,963</u>	<u>48,728</u>
Fund Balance - July 1	15,945	15,945	
Prior Period Adjustment		1,009,613	1,009,613
Fund Balance - July 1, Restated	<u>15,945</u>	<u>1,025,558</u>	<u>1,009,613</u>
Fund Balance - June 30	<u>\$ 3,180</u>	<u>\$ 1,061,521</u>	<u>\$ 1,058,341</u>

CITY OF EL CENTRO
DEVELOPMENT IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 222,800	\$ 314,002	\$ 91,202
Interest	6,300	18,897	12,597
Total Revenue	<u>229,100</u>	<u>332,899</u>	<u>103,799</u>
Expenditures:			
Capital Outlay	1,263,932	969,695	294,237
Total Expenditures	<u>1,263,932</u>	<u>969,695</u>	<u>294,237</u>
Net Change in Fund Balance	(1,034,832)	(636,796)	398,036
Fund Balance - July 1	<u>3,164,163</u>	<u>3,164,163</u>	
Fund Balance - June 30	<u>\$ 2,129,331</u>	<u>\$ 2,527,367</u>	<u>\$ 398,036</u>

CITY OF EL CENTRO
FHWA GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 90	\$ 361	\$ 271
Total Revenue	<u>90</u>	<u>361</u>	<u>271</u>
Net Change in Fund Balance	90	361	271
Fund Balance - July 1	<u>60,688</u>	<u>60,688</u>	
Fund Balance - June 30	<u>\$ 60,778</u>	<u>\$ 61,049</u>	<u>\$ 271</u>

CITY OF EL CENTRO
SOFT DRINK FRANCHISE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 200	\$ 2	\$ (198)
Other		21	21
Total Revenue	<u>200</u>	<u>23</u>	<u>(177)</u>
Net Change in Fund Balance	200	23	(177)
Fund Balance - July 1	<u>392</u>	<u>392</u>	
Fund Balance - June 30	<u>\$ 592</u>	<u>\$ 415</u>	<u>\$ (177)</u>

CITY OF EL CENTRO
LIBRARY ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ -	\$ 158	\$ 158
Total Revenue	<u> </u>	<u>158</u>	<u>158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>158</u>	<u>158</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(30,192)</u>		<u>30,192</u>
Total Other Financing Sources (Uses)	<u>(30,192)</u>		<u>30,192</u>
Net Change in Fund Balance	(30,192)	158	30,350
Fund Balance - July 1	<u>30,345</u>	<u>30,345</u>	
Fund Balance - June 30	<u>\$ 153</u>	<u>\$ 30,503</u>	<u>\$ 30,350</u>

CITY OF EL CENTRO
I-8 IMPERIAL AVE OVERPASS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 900	\$ 3,470	\$ 2,570
Total Revenue	<u>900</u>	<u>3,470</u>	<u>2,570</u>
Net Change in Fund Balance	900	3,470	2,570
Fund Balance - July 1	<u>96,123</u>	<u>96,123</u>	<u> </u>
Fund Balance - June 30	<u><u>\$ 97,023</u></u>	<u><u>\$ 99,593</u></u>	<u><u>\$ 2,570</u></u>

CITY OF EL CENTRO
EDA REVOLVING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 10,000	\$ 9,969	\$ (31)
Interest	60	766	706
Total Revenue	10,060	10,735	675
Expenditures:			
Current:			
Community Development	300	195	105
Total Expenditures	300	195	105
Net Change in Fund Balance	9,760	10,540	780
Fund Balance - July 1	120,777	120,777	
Fund Balance - June 30	\$ 130,537	\$ 131,317	\$ 780

CITY OF EL CENTRO
POLICE & FIRE OPERATIONAL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 600	\$ 2,492	\$ 1,892
Total Revenue	<u>600</u>	<u>2,492</u>	<u>1,892</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(146,000)</u>		<u>146,000</u>
Total Other Financing Sources (Uses)	<u>(146,000)</u>		<u>146,000</u>
Net Change in Fund Balance	(145,400)	2,492	147,892
Fund Balance - July 1	<u>436,499</u>	<u>436,499</u>	
Fund Balance - June 30	<u>\$ 291,099</u>	<u>\$ 438,991</u>	<u>\$ 147,892</u>

CITY OF EL CENTRO
LEGACY RANCH LIGHTING AND LANDSCAPING DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Taxes	\$ 7,150	\$ 7,207	\$ 57
Interest	300	1,186	886
Total Revenue	<u>7,450</u>	<u>8,393</u>	<u>943</u>
Expenditures:			
Current:			
Community Development	29,600	28,279	1,321
Total Expenditures	<u>29,600</u>	<u>28,279</u>	<u>1,321</u>
Excess (Deficiency) of Revenues Over (Under)	<u>(22,150)</u>	<u>(19,886)</u>	<u>2,264</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(28,000)</u>	<u></u>	<u>28,000</u>
Total Other Financing Sources (Uses)	<u>(28,000)</u>	<u></u>	<u>28,000</u>
Net Change in Fund Balance	(50,150)	(19,886)	30,264
Fund Balance - July 1	<u>217,043</u>	<u>217,043</u>	<u></u>
Fund Balance - June 30	<u>\$ 166,893</u>	<u>\$ 197,157</u>	<u>\$ 30,264</u>

CITY OF EL CENTRO
IV COMMONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 401	\$ 301
Total Revenue	<u>100</u>	<u>401</u>	<u>301</u>
Expenditures:			
Current:			
Community Development	<u>1,000</u>	<u> </u>	<u>1,000</u>
Total Expenditures	<u>1,000</u>	<u> </u>	<u>1,000</u>
Net Change in Fund Balance	(900)	401	1,301
Fund Balance - July 1	<u>5,577</u>	<u>5,577</u>	<u> </u>
Fund Balance - June 30	<u><u>\$ 4,677</u></u>	<u><u>\$ 5,978</u></u>	<u><u>\$ 1,301</u></u>

CITY OF EL CENTRO
FIRE MITIGATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 200	\$ 1,077	\$ 877
Total Revenue	<u>200</u>	<u>1,077</u>	<u>877</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(205,000)</u>		<u>205,000</u>
Total Other Financing Sources (Uses)	<u>(205,000)</u>		<u>205,000</u>
Net Change in Fund Balance	(204,800)	1,077	205,877
Fund Balance - July 1	<u>205,801</u>	<u>205,801</u>	
Fund Balance - June 30	<u>\$ 1,001</u>	<u>\$ 206,878</u>	<u>\$ 205,877</u>

CITY OF EL CENTRO
IID PROJECT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 44,040	\$ 20,040	\$ (24,000)
Other		7,687	7,687
Total Revenues	<u>44,040</u>	<u>27,727</u>	<u>(16,313)</u>
Expenditures:			
Current:			
Community Development	<u>44,040</u>	<u>20,040</u>	<u>24,000</u>
Total Expenditures	<u>44,040</u>	<u>20,040</u>	<u>24,000</u>
Net Changes in Fund Balance		<u>7,687</u>	<u>7,687</u>
Fund Balance - July 1	1,258	1,258	
Prior Period Adjustment		<u>81,477</u>	<u>81,477</u>
Fund Balance - July 1, Restated	<u>1,258</u>	<u>82,735</u>	<u>81,477</u>
Fund Balance - June 30	<u>\$ 1,258</u>	<u>\$ 90,422</u>	<u>\$ 89,164</u>

CITY OF EL CENTRO
POLICE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 366,514	\$ 324,928	\$ (41,586)
Total Revenues	<u>366,514</u>	<u>324,928</u>	<u>(41,586)</u>
Expenditures:			
Current:			
Public Safety	109,395	77,826	31,569
Capital Outlay	257,119	244,438	12,681
Total Expenditures	<u>366,514</u>	<u>322,264</u>	<u>44,250</u>
 Net Changes in Fund Balance		2,664	2,664
 Fund Balance (Deficit) - July 1	<u>(8,686)</u>	<u>(8,686)</u>	
 Fund Balance (Deficit) - June 30	<u><u>\$ (8,686)</u></u>	<u><u>\$ (6,022)</u></u>	<u><u>\$ 2,664</u></u>

CITY OF EL CENTRO
SUCCESSOR AGENCY HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ -	\$ 154	\$ 154
Other	10,900	59,150	48,250
Total Revenues	10,900	59,304	48,404
Net Changes in Fund Balance	10,900	59,304	48,404
Fund Balance - July 1	30,504	30,504	
Prior Period Adjustment		5,052,068	5,052,068
Fund Balance - July 1, Restated	30,504	5,082,572	5,052,068
Fund Balance - June 30	<u>\$ 41,404</u>	<u>\$ 5,141,876</u>	<u>\$ 5,100,472</u>

CITY OF EL CENTRO
ORANGE AVE REGIONAL LIFT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 350	\$ 1,370	\$ 1,020
Total Revenues	<u>350</u>	<u>1,370</u>	<u>1,020</u>
Net Change in Fund Balance	350	1,370	1,020
Fund Balance - July 1	<u>230,320</u>	<u>230,320</u>	
Fund Balance - June 30	<u><u>\$ 230,670</u></u>	<u><u>\$ 231,690</u></u>	<u><u>\$ 1,020</u></u>

CITY OF EL CENTRO
PARK DEVELOPMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 450	\$ 1,653	\$ 1,203
Total Revenues	<u>450</u>	<u>1,653</u>	<u>1,203</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(148,000)</u>		<u>148,000</u>
Total Other Financing Sources (Uses)	<u>(148,000)</u>		<u>148,000</u>
Net Change in Fund Balance	(147,550)	1,653	149,203
Fund Balance - July 1	<u>295,717</u>	<u>295,717</u>	
Fund Balance - June 30	<u>\$ 148,167</u>	<u>\$ 297,370</u>	<u>\$ 149,203</u>

CITY OF EL CENTRO
DRAINAGE FACILITY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 500	\$ 2,009	\$ 1,509
Total Revenues	<u>500</u>	<u>2,009</u>	<u>1,509</u>
Net Change in Fund Balance	500	2,009	1,509
Fund Balance - July 1	<u>337,690</u>	<u>337,690</u>	
Fund Balance - June 30	<u>\$ 338,190</u>	<u>\$ 339,699</u>	<u>\$ 1,509</u>

CITY OF EL CENTRO
LOTUS PARALLEL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 440	\$ 2,074	\$ 1,634
Total Revenues	<u>440</u>	<u>2,074</u>	<u>1,634</u>
Net Change in Fund Balance	440	2,074	1,634
Fund Balance - July 1	<u>45,991</u>	<u>45,991</u>	
Fund Balance - June 30	<u>\$ 46,431</u>	<u>\$ 48,065</u>	<u>\$ 1,634</u>

CITY OF EL CENTRO
IID FACILITY CROSSING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 240	\$ 933	\$ 693
Total Revenues	<u>240</u>	<u>933</u>	<u>693</u>
Net Change in Fund Balance	240	933	693
Fund Balance - July 1	<u>23,920</u>	<u>23,920</u>	
Fund Balance - June 30	<u>\$ 24,160</u>	<u>\$ 24,853</u>	<u>\$ 693</u>

CITY OF EL CENTRO
8TH STREET OVERPASS BRIDGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 25	\$ 108	\$ 83
Total Revenues	<u>25</u>	<u>108</u>	<u>83</u>
Net Change in Fund Balance	25	108	83
Fund Balance - July 1	<u>3,158</u>	<u>3,158</u>	
Fund Balance - June 30	<u>\$ 3,183</u>	<u>\$ 3,266</u>	<u>\$ 83</u>

CITY OF EL CENTRO
BRIDGE/ROAD IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 6,700	\$ 23,821	\$ 17,121
Total Revenues	<u>6,700</u>	<u>23,821</u>	<u>17,121</u>
Net Change in Fund Balance	6,700	23,821	17,121
Fund Balance - July 1	<u>422,435</u>	<u>422,435</u>	
Fund Balance - June 30	<u>\$ 429,135</u>	<u>\$ 446,256</u>	<u>\$ 17,121</u>

CITY OF EL CENTRO
FEDERAL HIGHWAY ADMINISTRATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 787,039	\$ 160,836	\$ (626,203)
Interest		186	186
Total Revenues	<u>787,039</u>	<u>161,022</u>	<u>(626,017)</u>
Expenditures:			
Capital Outlay	827,039	160,836	666,203
Total Expenditures	<u>827,039</u>	<u>160,836</u>	<u>666,203</u>
Net Change in Fund Balance	(40,000)	186	40,186
Fund Balance - July 1	<u>91,232</u>	<u>91,232</u>	
Fund Balance - June 30	<u>\$ 51,232</u>	<u>\$ 91,418</u>	<u>\$ 40,186</u>

CITY OF EL CENTRO
PROPOSITION 1B CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 10	\$ 51	\$ 41
Total Revenues	<u>10</u>	<u>51</u>	<u>41</u>
Net Change in Fund Balance	10	51	41
Fund Balance - July 1	<u>8,648</u>	<u>8,648</u>	
Fund Balance - June 30	<u>\$ 8,658</u>	<u>\$ 8,699</u>	<u>\$ 41</u>

CITY OF EL CENTRO
LA BRUCHERIE GREEN BELT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 10	\$ 45	\$ 35
Total Revenues	<u>10</u>	<u>45</u>	<u>35</u>
Net Change in Fund Balance	10	45	35
Fund Balance - July 1	<u>7,523</u>	<u>7,523</u>	
Fund Balance - June 30	<u>\$ 7,533</u>	<u>\$ 7,568</u>	<u>\$ 35</u>

CITY OF EL CENTRO
COLONIA EL DORADO STREET CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 25	\$ 114	\$ 89
Total Revenues	<u>25</u>	<u>114</u>	<u>89</u>
Net Change in Fund Balance	25	114	89
Fund Balance - July 1	<u>19,177</u>	<u>19,177</u>	
Fund Balance - June 30	<u>\$ 19,202</u>	<u>\$ 19,291</u>	<u>\$ 89</u>

CITY OF EL CENTRO
LTA LEASE REVENUE BONDS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 270,000	\$ 271,163	\$ 1,163
Interest	36,000	41,677	5,677
Total Revenues	<u>306,000</u>	<u>312,840</u>	<u>6,840</u>
Expenditures:			
Current:			
Public Works	7,650	7,450	200
Capital Outlay	2,920,000	3,082	2,916,918
Total Expenditures	<u>2,927,650</u>	<u>10,532</u>	<u>2,917,118</u>
Net Change in Fund Balance	(2,621,650)	302,308	2,923,958
Fund Balance - July 1	<u>3,354,155</u>	<u>3,354,155</u>	
Fund Balance - June 30	<u><u>\$ 732,505</u></u>	<u><u>\$ 3,656,463</u></u>	<u><u>\$ 2,923,958</u></u>

CITY OF EL CENTRO
BUENA VISTA LANDSCAPING AND LIGHTING DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Taxes	\$ 4,650	\$ 4,631	\$ (19)
Interest	400	1,697	1,297
Total Revenues	<u>5,050</u>	<u>6,328</u>	<u>1,278</u>
Expenditures:			
Current:			
Community Development	20,100	15,713	4,387
Total Expenditures	<u>20,100</u>	<u>15,713</u>	<u>4,387</u>
Excess (Deficiency) of			
Revenues Over (Under)			
Expenditures	<u>(15,050)</u>	<u>(9,385)</u>	<u>5,665</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(24,500)</u>		<u>24,500</u>
Total Other			
Financing Sources (Uses)	<u>(24,500)</u>		<u>24,500</u>
Net Change in Fund Balance	(39,550)	(9,385)	30,165
Fund Balance - July 1	<u>295,767</u>	<u>295,767</u>	
Fund Balance - June 30	<u>\$ 256,217</u>	<u>\$ 286,382</u>	<u>\$ 30,165</u>

CITY OF EL CENTRO
ROAD IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 300	\$ 7,465	\$ 7,165
Total Revenues	<u>300</u>	<u>7,465</u>	<u>7,165</u>
Net Change in Fund Balance	300	7,465	7,165
Fund Balance - July 1	<u>8,684</u>	<u>8,684</u>	
Fund Balance - June 30	<u>\$ 8,984</u>	<u>\$ 16,149</u>	<u>\$ 7,165</u>

CITY OF EL CENTRO
2011C BONDS CITY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 3,700	\$ 4,314	\$ 614
Total Revenues	<u>3,700</u>	<u>4,314</u>	<u>614</u>
Expenditures:			
Current:			
Community Development	3,795	3,850	(55)
Total Expenditures	<u>3,795</u>	<u>3,850</u>	<u>(55)</u>
Net Change in Fund Balance	(95)	464	559
Fund Balance - July 1	<u>9,539,092</u>	<u>9,539,092</u>	
Fund Balance - June 30	<u><u>\$ 9,538,997</u></u>	<u><u>\$ 9,539,556</u></u>	<u><u>\$ 559</u></u>

CITY OF EL CENTRO
LTA LEASE REVENUE BONDS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 9,000	\$ 15,206	\$ 6,206
Total Revenues	<u>9,000</u>	<u>15,206</u>	<u>6,206</u>
Expenditures:			
Debt Service:			
Principal	407,892	407,892	
Interest and Fiscal Charges	942,414	942,414	
Total Expenditures	<u>1,350,306</u>	<u>1,350,306</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,341,306)</u>	<u>(1,335,100)</u>	<u>6,206</u>
Other Financing Sources (Uses)			
Transfers In	1,350,306	1,350,306	
Total Other Financing Sources (Uses)	<u>1,350,306</u>	<u>1,350,306</u>	
Net Change in Fund Balance	9,000	15,206	6,206
Fund Balance - July 1	<u>1,471,358</u>	<u>1,471,358</u>	
Fund Balance - June 30	<u>\$ 1,480,358</u>	<u>\$ 1,486,564</u>	<u>\$ 6,206</u>

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COMBINING STATEMENTS NONMAJOR PROPRIETARY FUNDS

PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - for these funds, it is the intent of the City Council that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Transit - This fund is used to account for revenues and expenses associated with a demand response public transportation service.

Solid Waste - This fund is used to account for revenue and expenditures associated with the collection and disposal of solid waste.

CITY OF EL CENTRO
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015

	Transit	Solid Waste	Totals
Assets:			
Current Assets:			
Cash and Investments	\$ 360,722	\$ 194,149	\$ 554,871
Receivables			
Accounts Receivable (Net of Allowance for Uncollectibles)		287,759	287,759
Interest Receivable	8	207	215
Total Current Assets	360,730	482,115	842,845
Total Assets	360,730	482,115	842,845
 Liabilities:			
Current Liabilities:			
Accounts Payable	87,827	228,115	315,942
Due to Other Funds		185,829	185,829
Deposits Payable		72,000	72,000
Total Current Liabilities	87,827	485,944	573,771
Total Liabilities	87,827	485,944	573,771
 Net Position:			
Unrestricted	272,903	(3,829)	269,074
Net Position (Deficit)	\$ 272,903	\$ (3,829)	\$ 269,074

CITY OF EL CENTRO
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2015

	Transit	Solid Waste	Totals
Operating Revenues			
Charges for Services	\$ 420,029	\$ 1,854,003	\$ 2,274,032
Total Operating Revenues	<u>420,029</u>	<u>1,854,003</u>	<u>2,274,032</u>
Operating Expenses			
Contractual Services	398,536		398,536
Supplies and Services		1,645,023	1,645,023
General and Administrative	30,000	179,888	209,888
Total Operating Expenses	<u>428,536</u>	<u>1,824,911</u>	<u>2,253,447</u>
Operating Income (Loss)	<u>(8,507)</u>	<u>29,092</u>	<u>20,585</u>
Non-Operating Revenue (Expenses)			
Grant Revenue	30,000		30,000
Interest Revenue	1,064	1,279	2,343
Total Non-Operating Revenue (Expenses)	<u>31,064</u>	<u>1,279</u>	<u>32,343</u>
Changes in Net Position	22,557	30,371	52,928
Net Position (Deficit) - Beginning of Fiscal Year	<u>250,346</u>	<u>(34,200)</u>	<u>216,146</u>
Net Position (Deficit) - End of Fiscal Year	<u>\$ 272,903</u>	<u>\$ (3,829)</u>	<u>\$ 269,074</u>

CITY OF EL CENTRO
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	Transit	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Users	\$ 814,432	\$ 1,842,316	\$ 2,656,748
Cash Payments to Suppliers and Contractors	(420,984)	(1,624,540)	(2,045,524)
Cash Payments for General and Administrative Expenses	(30,000)	(179,888)	(209,888)
Net Cash Provided (Used) By Operating Activities	<u>363,448</u>	<u>37,888</u>	<u>401,336</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Receipts for Interfund Borrowing		555	555
Cash Payments for Interfund Borrowing	(33,820)		(33,820)
Grants Received	30,000		30,000
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(3,820)</u>	<u>555</u>	<u>(3,265)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	1,094	1,135	2,229
Net Cash Provided (Used) in Investing Activities	<u>1,094</u>	<u>1,135</u>	<u>2,229</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	360,722	39,578	400,300
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>154,571</u>	<u>154,571</u>	<u>154,571</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u><u>\$ 360,722</u></u>	<u><u>\$ 194,149</u></u>	<u><u>\$ 554,871</u></u>
Reconciliation to Statement of Net Position:			
Cash and Cash Equivalents	<u>\$ 360,722</u>	<u>\$ 194,149</u>	<u>\$ 554,871</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	<u>\$ (8,507)</u>	<u>\$ 29,092</u>	<u>\$ 20,585</u>
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	394,403	(11,687)	382,716
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(22,448)	20,483	(1,965)
Total Adjustments	<u>371,955</u>	<u>8,796</u>	<u>380,751</u>
Net Cash Provided (Used) By Operating Activities	<u><u>\$ 363,448</u></u>	<u><u>\$ 37,888</u></u>	<u><u>\$ 401,336</u></u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Workers' Compensation - This fund is used to account for the revenue and expenses associated with providing Workers' Compensation benefits.

Post Employment Benefits - This fund is used to account for the revenue and expenses associated with providing unemployment benefits.

Group Health Insurance - This fund is used to account for the revenue and expenses associated with providing group health benefits.

Motor Vehicle - This fund is used to account for costs of operating and maintaining automotive equipment used by City departments.

**CITY OF EL CENTRO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015**

	Workers' Compensation	Post Employment Benefits	Group Health Insurance	Motor Vehicle	Totals
ASSETS AND DEFERRED OUTFLOW OF RESOURCES:					
Assets:					
Cash and Investments	\$ 4,917,548	\$ 1,549,811	\$ 2,386,796	\$ 377,479	\$ 9,231,634
Other Receivable			1,048		1,048
Interest Receivable	3,048	978	1,422	248	5,696
Total Assets	<u>4,920,596</u>	<u>1,550,789</u>	<u>2,389,266</u>	<u>377,727</u>	<u>9,238,378</u>
Deferred outflow of resources:					
City's pension contributions subsequent to the measurement date				15,546	15,546
Total Deferred Outflow of Resources				<u>15,546</u>	<u>15,546</u>
LIABILITIES AND DEFERRED INFLOW OF RESOURCES:					
Liabilities:					
Accounts Payable	51,168	4,025	232,765	12,129	300,087
Salaries/Benefits Payable				5,164	5,164
Net Pension Liability				163,446	163,446
Total Liabilities	<u>51,168</u>	<u>4,025</u>	<u>232,765</u>	<u>180,739</u>	<u>468,697</u>
Deferred inflow of resources:					
Differences between projected and actual earnings on pension plan investments				80,229	80,229
Total Deferred Inflow of Resources				<u>80,229</u>	<u>80,229</u>
NET POSITION					
Unrestricted	4,869,428	1,546,764	2,156,501	132,305	8,704,998
Net Position	<u>\$ 4,869,428</u>	<u>\$ 1,546,764</u>	<u>\$ 2,156,501</u>	<u>\$ 132,305</u>	<u>\$ 8,704,998</u>

CITY OF EL CENTRO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
For the Fiscal Year Ended June 30, 2015

	Workers' Compensation	Post Employment Benefits	Group Health Insurance	Motor Vehicle	Totals
Operating Revenues:					
Charges for Services	\$ 723,322	\$ 271,992	\$ 3,207,429	\$ 450,000	\$ 4,652,743
Other	127,770		646,234		774,004
Total Operating Revenues	851,092	271,992	3,853,663	450,000	5,426,747
Operating Expenses:					
Personnel Services		325,054		205,999	531,053
Supplies and Services	1,456,442	100,999	3,288,309	180,132	5,025,882
Total Operating Expenses	1,456,442	426,053	3,288,309	386,131	5,556,935
Operating Income (Loss)	(605,350)	(154,061)	565,354	63,869	(130,188)
Non-Operating Revenue:					
Interest Revenue	26,796	9,670	11,898	1,809	50,173
Total Non-Operating Revenue	26,796	9,670	11,898	1,809	50,173
Change in Net Position	(578,554)	(144,391)	577,252	65,678	(80,015)
Net Position - Beginning of Fiscal Year	5,447,982	1,691,155	1,579,249	299,228	9,017,614
Prior Period Adjustment				(232,601)	(232,601)
Net Position - Beginning of Fiscal Year, Restated	5,447,982	1,691,155	1,579,249	66,627	8,785,013
Net Position - End of Fiscal Year	\$ 4,869,428	\$ 1,546,764	\$ 2,156,501	\$ 132,305	\$ 8,704,998

CITY OF EL CENTRO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	<u>Workers'</u> <u>Compensation</u>	<u>Post Employment</u> <u>Benefits</u>	<u>Group Health</u> <u>Insurance</u>	<u>Motor</u> <u>Vehicle</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Users	\$ 851,092	\$ 271,992	\$ 3,897,576	\$ 450,000	\$ 5,470,660
Cash Payments to Suppliers and Contractors	(1,496,847)	(96,974)	(3,342,535)	(190,575)	(5,126,931)
Cash Payments for Employees and Benefit Programs		(325,054)		(209,281)	(534,335)
Net Cash Provided (Used) By Operating Activities	<u>(645,755)</u>	<u>(150,036)</u>	<u>555,041</u>	<u>50,144</u>	<u>(190,606)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest Received	<u>25,964</u>	<u>9,472</u>	<u>11,253</u>	<u>1,684</u>	<u>48,373</u>
Net Cash Provided (Used) In Investing Activities	<u>25,964</u>	<u>9,472</u>	<u>11,253</u>	<u>1,684</u>	<u>48,373</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(619,791)	(140,564)	566,294	51,828	(142,233)
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>5,537,339</u>	<u>1,690,375</u>	<u>1,820,502</u>	<u>325,651</u>	<u>9,373,867</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 4,917,548</u>	<u>\$ 1,549,811</u>	<u>\$ 2,386,796</u>	<u>\$ 377,479</u>	<u>\$ 9,231,634</u>
Reconciliation with Statement of Net Position					
Cash and Investments	<u>\$ 4,917,548</u>	<u>\$ 1,549,811</u>	<u>\$ 2,386,796</u>	<u>\$ 377,479</u>	<u>\$ 9,231,634</u>
CASH AND CASH EQUIVALENTS	<u>\$ 4,917,548</u>	<u>\$ 1,549,811</u>	<u>\$ 2,386,796</u>	<u>\$ 377,479</u>	<u>\$ 9,231,634</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	<u>\$ (605,350)</u>	<u>\$ (154,061)</u>	<u>\$ 565,354</u>	<u>\$ 63,869</u>	<u>\$ (130,188)</u>
Changes in Assets and Liabilities:					
(Increase) Decrease in Other Receivables			43,913		43,913
Increase (Decrease) Accounts Payable and Accrued Liabilities	(40,405)	4,025	(54,226)	(9,253)	(99,859)
Increase (decrease) in net pension liability				(4,472)	(4,472)
Total Adjustments	<u>(40,405)</u>	<u>4,025</u>	<u>(10,313)</u>	<u>(13,725)</u>	<u>(60,418)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (645,755)</u>	<u>\$ (150,036)</u>	<u>\$ 555,041</u>	<u>\$ 50,144</u>	<u>\$ (190,606)</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations.

Trust Funds

Successor Agency Administration – This fund set up to account for revenue and expenses incurred in the dissolution of the Redevelopment Agency.

Successor Agency Capital Project – This fund set up to administer the completion of projects previously administered by the Redevelopment Agency Capital Project Fund.

Successor Agency Debt Service – This fund set up to account for debt service payment previously paid the Redevelopment Agency Debt Service Fund.

Successor Agency Revolving Loan – This fund set up to account for revolving business loans previously administered by the Redevelopment Agency.

Agency Fund

Legacy Ranch CFD - This fund collects assessments and pays costs and debt service for the CFD within the City.

**CITY OF EL CENTRO
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015**

	Successor Agency Administration	Successor Agency Capital Project	Successor Agency Debt Service	Successor Agency Revolving Loan	Totals
Assets:					
Cash and Investments	\$ 33,888	\$ 29	\$ 16,681	\$ 28,189	\$ 78,787
Cash and Investments with Fiscal Agent, Restricted		4,292,887	2,664,089		6,956,976
Interest Receivable	31			29	60
Notes Receivable				11,633	11,633
Other Receivable	16,508			107	16,615
Advances to City of El Centro		9,413,455			9,413,455
Discount for advances to City of El Centro		1,198,881			1,198,881
Capital Assets, Not Being Depreciated		5,763,861			5,763,861
Capital Assets, Net of Accumulated Depreciation		14,489,180			14,489,180
Total Assets	<u>50,427</u>	<u>35,158,293</u>	<u>2,680,770</u>	<u>39,958</u>	<u>37,929,448</u>
Liabilities:					
Accounts Payable	4,625	9,589			14,214
Salaries/Benefits Payable	2,129				2,129
Interest Payable			290,121		290,121
Noncurrent Liabilities:					
Due within One Year			1,424,915		1,424,915
Due in More than One Year			34,443,265		34,443,265
Total Liabilities	<u>6,754</u>	<u>9,589</u>	<u>36,158,301</u>		<u>36,174,644</u>
Net Position:					
Unrestricted	43,673	35,148,704	(33,477,531)	39,958	1,754,804
Total Net Position (Deficit)	<u>\$ 43,673</u>	<u>\$ 35,148,704</u>	<u>\$ (33,477,531)</u>	<u>\$ 39,958</u>	<u>\$ 1,754,804</u>

CITY OF EL CENTRO
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2015

	Successor Agency Administration	Successor Agency Capital Project	Successor Agency Debt Service	Successor Agency Revolving Loan	Totals
Additions:					
Investment Revenue	\$ 707	\$ 2,250	\$ 17,760	\$ 168	\$ 20,885
Intergovernmental	250,000				250,000
Property Taxes			3,252,374		3,252,374
Other Revenue				332	332
Total Additions	<u>250,707</u>	<u>2,250</u>	<u>3,270,134</u>	<u>500</u>	<u>3,523,591</u>
Deductions:					
Community Development	183,800	1,359	2,363,965	9,968	2,559,092
Depreciation		584,155			584,155
Interest Expense		115,989	1,818,267		1,934,256
Total Deductions	<u>183,800</u>	<u>701,503</u>	<u>4,182,232</u>	<u>9,968</u>	<u>5,077,503</u>
 Excess (Deficiency) of Additions Over (Under) Deletions	 <u>66,907</u>	 <u>(699,253)</u>	 <u>(912,098)</u>	 <u>(9,468)</u>	 <u>(1,553,912)</u>
Other Financing Sources (uses):					
Transfers In			331,359		331,359
Transfers Out	(331,359)				(331,359)
Total Other Financing Sources (Uses)	<u>(331,359)</u>		<u>331,359</u>		
 Change in Net Position	 <u>(264,452)</u>	 <u>(699,253)</u>	 <u>(580,739)</u>	 <u>(9,468)</u>	 <u>(1,553,912)</u>
Net Position (Deficit), July 1	308,125	35,847,957	(33,279,342)	49,426	2,926,166
Prior Period Adjustments			382,550		382,550
Net Position (Deficit), July 1 Restated	<u>308,125</u>	<u>35,847,957</u>	<u>(32,896,792)</u>	<u>49,426</u>	<u>3,308,716</u>
Net Position (Deficit), June 30	<u>\$ 43,673</u>	<u>\$ 35,148,704</u>	<u>\$ (33,477,531)</u>	<u>\$ 39,958</u>	<u>\$ 1,754,804</u>

CITY OF EL CENTRO
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
LEGACY RANCH CFD				
ASSETS				
Cash and Investments	\$ 98,492	\$ -	\$ 431	\$ 98,061
Cash and Investments with Fiscal Agent	140,540	92		140,632
Taxes Receivable	296		40	256
Interest Receivable	29	20		49
Total Assets	<u>\$ 239,357</u>	<u>\$ 112</u>	<u>\$ 471</u>	<u>\$ 238,998</u>
LIABILITIES				
Deposits Payable	\$ 6,808	\$ -	\$ -	\$ 6,808
Due to Bondholders	232,549	112	471	232,190
Total Liabilities	<u>\$ 239,357</u>	<u>\$ 112</u>	<u>\$ 471</u>	<u>\$ 238,998</u>



STATISTICAL SECTION

Statistical Section

This part of the City of El Centro's Comprehensive Annual Financial Report presents detailed information in a context for understanding what the information in the financial statements, note disclosures, and supplemental information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparison over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement No. 34 as of June 30, 2004; schedules presenting government-wide information, include information beginning in that year.

CITY OF EL CENTRO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$28,870,122	\$45,474,580	\$57,566,767	\$56,294,632	\$70,520,225	\$80,273,979	\$75,589,062	\$79,208,418	\$80,842,072	\$78,942,143
Restricted	26,804,255	52,414,019	58,137,871	63,571,786	41,225,983	47,896,901	47,900,194	46,249,862	45,804,312	44,253,527
Unrestricted	11,369,288	8,789,396	8,367,919	10,662,812	31,497,877	19,551,306	17,675,436	15,377,332	19,252,947	(5,132,864)
Total Governmental Activities Net Position	67,043,665	106,677,995	124,072,557	130,529,230	143,244,085	147,722,186	141,164,692	140,835,612	145,899,331	118,062,806
Business-Type Activities										
Net Investment in Capital Assets	25,531,455	20,471,742	45,118,649	42,269,911	35,257,570	36,280,810	42,634,667	37,066,118	39,558,204	44,193,034
Restricted	-	7,715,631	7,697,555	7,752,240	7,699,379	7,861,774	6,582,559	6,674,927	6,730,642	6,851,721
Unrestricted	36,265,244	39,036,994	26,600,045	35,624,898	49,575,758	54,273,032	61,899,630	71,903,606	73,181,202	50,350,649
Total Business-Type Activities Net Position	61,796,699	67,224,367	79,416,249	85,647,049	92,532,707	98,415,616	111,116,856	115,644,651	119,470,048	101,395,404
Primary Government										
Net Investment in Capital Assets	54,401,577	65,946,322	102,685,416	98,564,543	105,777,795	116,554,789	118,223,729	116,274,536	120,400,276	123,135,177
Restricted	26,804,255	60,129,650	65,835,426	71,324,026	48,925,362	55,758,675	54,482,753	52,924,789	52,534,954	51,105,248
Unrestricted	47,634,532	47,826,390	34,967,964	46,287,710	81,073,635	73,824,338	79,575,066	87,280,938	92,434,149	45,217,785
Total Primary Government Net Position	\$128,840,364	\$173,902,362	\$203,488,806	\$216,176,279	\$235,776,792	\$246,137,802	\$252,281,548	\$256,480,263	\$265,369,379	\$219,458,210

CITY OF EL CENTRO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Page 1 of 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$3,938,201	\$2,975,649	\$3,105,885	\$3,078,888	\$2,606,739	\$3,319,001	\$3,784,511	\$2,697,357	\$2,754,215	\$2,814,460
Public Protection	13,132,377	13,951,000	15,709,050	15,437,278	15,886,783	15,694,697	14,771,179	13,500,334	13,702,504	14,821,027
Community Development	9,635,722	5,703,142	3,745,060	2,641,010	7,597,064	5,463,849	6,138,138	7,740,525	5,368,816	5,914,348
Public Works	4,338,732	5,317,733	6,401,722	5,294,860	5,650,308	5,911,481	5,296,310	5,845,493	5,552,867	4,107,228
Parks and Recreation	2,373,475	2,628,335	3,027,847	4,985,269	3,148,584	3,169,837	3,071,913	2,941,013	3,377,770	4,214,952
Interest on Long-Term Debt	525,529	1,453,682	1,970,229	2,508,942	3,558,649	4,180,951	3,256,048	1,653,023	1,155,173	1,372,677
Total Governmental Activities Expenses	33,944,036	32,029,541	33,959,793	33,946,247	38,448,127	37,739,816	36,318,099	34,377,745	31,911,345	33,244,692
Business-Type Activities										
Water	5,165,290	7,185,564	7,123,415	8,008,232	8,334,638	8,373,968	8,264,815	8,270,456	7,889,026	7,703,001
Wastewater	5,655,157	7,098,821	7,220,805	7,499,465	7,359,109	7,505,317	7,845,792	7,485,992	7,784,150	7,963,730
Hospital	83,840,216	75,338,605	81,947,795	91,148,549	101,101,558	112,030,838	123,010,972	123,087,439	123,534,326	123,935,509
Transit	171,223	213,357	227,407	223,058	205,103	181,972	211,598	356,984	391,240	428,536
Solid Waste	3,712,450	3,654,427	3,690,879	1,871,739	1,579,127	1,821,142	1,831,381	1,741,891	1,782,315	1,824,911
Total Business-Type Activities Expenses	98,544,336	93,490,774	100,210,301	108,751,043	118,579,535	129,913,237	141,164,558	140,942,762	141,381,057	141,855,687
Total Primary Government Net Expenses	\$132,488,372	\$125,520,315	\$134,170,094	\$142,697,290	\$157,027,662	\$167,653,053	\$177,482,657	\$175,320,507	\$173,292,402	\$175,100,379
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$295,775	\$2,244,273	\$323,057	\$42,040	\$20,865	\$14,710	\$538,072	\$501,117	\$546,723	\$671,937
Public Protection	-	288,595	1,337,987	971,735	1,542,554	623,511	489,902	436,624	394,565	388,716
Community Development	-	-	1,432,847	542,958	383,973	707,417	582,900	443,626	548,054	549,694
Public Works	3,500,346	2,723,312	87,305	25,222	-	25,140	46,475	40,420	14,665	24,738
Parks and Recreation	-	33,886	103,138	123,396	141,894	130,407	108,676	106,267	133,327	148,347
Operating Contributions and Grants	4,350,197	4,936,244	7,614,490	6,837,298	3,294,055	4,581,713	4,729,860	6,330,950	5,053,349	3,770,930
Capital Contributions and Grants	2,539,094	3,110,778	9,952,116	1,570,007	16,769,881	8,238,107	8,945,384	14,465,302	10,655,687	6,632,032
Total Governmental Activities Program Revenues	10,685,412	13,337,088	20,850,940	10,112,656	22,153,222	14,321,005	15,441,269	22,324,306	17,346,370	12,186,394
Business-Type Activities										
Charges for Services										
Water	4,975,974	6,692,648	7,045,506	8,060,343	8,009,824	8,096,551	8,345,593	8,432,311	8,597,177	8,382,237
Wastewater	5,667,928	6,317,205	7,003,379	7,369,120	7,400,961	7,419,760	7,622,341	7,879,037	8,487,848	8,830,413
Hospital	83,311,387	75,492,941	84,339,214	94,771,491	106,897,444	115,799,592	133,547,434	126,098,919	128,111,189	133,830,561
Transit	177,257	32,065	31,911	31,901	32,145	28,953	252,665	428,249	431,237	420,029
Solid Waste	3,712,450	3,803,323	3,737,471	1,664,720	1,623,364	1,706,670	1,782,171	1,769,658	1,811,429	1,854,003
Operating Contributions and Grants	671,001	414,689	623,509	634,668	636,347	1,076,707	876,773	428,979	472,116	405,654
Capital Contributions and Grants	1,750,619	2,890,620	1,882,104	2,256,806	358,962	328,911	1,118,733	327,314	397,620	1,120,428
Total Business-Type Activities Program Revenues	100,266,616	95,643,491	104,663,094	114,789,049	124,959,047	134,457,144	153,545,710	145,364,467	148,308,616	154,843,325
Total Primary Government Program Revenues	\$110,952,028	\$108,980,579	\$125,514,034	\$124,901,705	\$147,112,269	\$148,778,149	\$168,986,979	\$167,688,773	\$165,654,986	\$167,029,719

**CITY OF EL CENTRO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

(Accrual Basis of Accounting)
Page 2 of 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	(\$23,258,624)	(\$18,692,453)	(\$13,108,853)	(\$23,833,591)	(\$16,294,905)	(\$23,418,811)	(\$20,876,830)	(\$12,053,439)	(\$14,564,975)	(\$21,058,298)
Business-Type Activities	1,722,280	2,152,717	4,452,793	6,038,006	6,379,512	4,543,907	12,381,152	4,421,705	6,927,559	12,987,638
Total Primary Government Net Expense	(\$21,536,344)	(\$16,539,736)	(\$8,556,060)	(\$17,795,585)	(\$9,915,393)	(\$18,874,904)	(\$8,495,678)	(\$7,631,734)	(\$7,637,416)	(\$8,070,660)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes										
Property Taxes	\$6,127,471	\$8,631,946	\$9,220,182	\$10,350,487	\$9,834,917	\$9,023,918	\$5,672,650	\$2,946,796	\$2,928,564	\$3,036,539
Sales Taxes	7,612,804	7,508,267	10,199,467	9,843,655	8,485,869	10,094,376	11,182,621	10,457,635	10,937,977	10,998,664
Transit Occupancy Taxes	1,200,186	1,324,156	1,471,568	1,198,977	1,235,027	1,343,477	1,560,794	1,660,336	1,667,107	1,592,290
Franchise Taxes	363,598	454,036	380,085	393,958	337,914	356,688	337,263	309,852	317,696	317,379
Other Taxes	2,745,709	2,889,719	416,006	332,272	336,024	394,573	415,851	384,697	369,426	402,491
License & Permits	627,032	356,737	-	-	-	-	-	-	-	-
Fines & Forfeitures	308,777	245,420	-	-	-	-	-	-	-	-
Motor Vehicle in Lieu, unrestricted	2,981,075	3,391,770	3,332,539	3,998,996	4,010,814	3,939,780	3,790,879	3,661,173	3,640,902	3,671,321
Revenue From Other Agencies	4,116,950	8,866,645	997,746	981,896	1,222,246	1,176,331	-	-	-	-
Litigation Settlement	-	-	-	-	-	-	-	-	-	-
Bond/Loan Proceeds less increase in debt	850,000	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	281,781	280,353	758,889	657,329	94,848	77,097	72,185	102,414
Gain on Sales of Property	-	296,130	-	-	-	-	-	-	-	-
Transfers	-	-	-	1,778,540	-	203,680	241,920	241,920	193,200	193,200
Loss on Transfer of Assets and Liabilities to RDA Successor Trust Fund	-	-	-	-	-	-	(8,983,573)	-	-	-
Investment Earnings	1,029,744	2,687,724	3,575,397	1,603,352	595,245	528,188	101,500	169,631	130,261	155,862
Total Governmental Activities	27,963,346	36,652,550	30,374,771	30,762,486	26,816,945	27,718,340	14,414,753	19,909,137	20,257,318	20,470,160
Business-Type Activities										
Investment Earnings	876,849	1,742,045	7,281,138	1,971,334	506,146	402,506	411,992	453,085	470,351	613,433
Litigation Settlement	-	-	-	-	-	550,000	-	-	-	-
Transfers	-	-	-	(1,778,540)	-	(203,680)	(241,920)	(241,920)	(193,200)	(193,200)
Miscellaneous Revenue (Expense)	(313,868)	-	23,653	-	-	84,765	150,016	(105,075)	57,936	(608,438)
Total Business-Type Activities	562,981	1,742,045	7,251,791	192,794	506,146	833,591	320,088	106,090	335,087	(188,205)
Total Primary Government	\$28,526,327	\$38,394,595	\$37,526,562	\$30,955,280	\$27,323,091	\$28,551,931	\$14,734,841	\$20,015,227	\$20,592,405	\$20,281,955
Change in Net Position										
Governmental Activities	\$4,704,722	\$17,960,097	\$17,265,918	\$6,928,895	\$10,522,040	\$4,299,529	(\$6,462,077)	\$7,855,698	\$5,692,343	(\$588,138)
Business-Type Activities	2,285,261	3,894,762	1,604,584	6,230,800	6,885,658	5,377,498	12,701,240	4,527,795	7,262,646	12,799,433
Total Primary Government	\$6,989,983	\$21,854,859	\$28,870,502	\$13,159,695	\$17,407,698	\$9,677,027	\$6,239,163	\$12,383,493	\$12,954,989	\$12,211,295

Source: City of El Centro Finance Department

**CITY OF EL CENTRO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$5,000	\$5,000	\$1,305,150	\$1,305,150	\$955,150	-	-	-	-	-
Unreserved	8,140,224	12,545,736	11,688,308	5,259,635	4,621,322	-	-	-	-	-
Total General Fund	\$8,145,224	\$12,550,736	\$12,993,458	\$6,564,785	\$5,576,472	-	-	-	-	-
All Other Governmental Funds										
Reserved Reported In:										
Special Revenue Funds	\$17,749,096	\$24,983,896	\$25,355,720	\$26,814,384	\$23,948,681	-	-	-	-	-
Debt Service Funds	4,865,171	9,649,468	2,765,955	2,657,808	4,117,612	-	-	-	-	-
Capital Projects Funds	4,189,988	21,228,925	22,559,905	23,353,322	31,894,909	-	-	-	-	-
Unreserved, Reported In:										
Special Revenue Funds	-	(5,265)	-	6,951,167	7,006,271	-	-	-	-	-
Debt Service Funds	-	-	8,928,134	10,828,295	9,648,639	-	-	-	-	-
Capital Projects Funds	-	-	(73,380)	38,217	-	-	-	-	-	-
Total All Other Governmental Funds	\$26,804,255	\$55,857,024	\$59,536,334	\$70,643,193	\$76,616,112	-	-	-	-	-
General Fund										
Nondspendable	-	-	-	-	-	\$1,300,000	\$0	\$0	\$0	\$0
Assigned	-	-	-	-	-	8,259,370	9,077,959	4,086,986	4,094,734	4,094,734
Unassigned	-	-	-	-	-	5,106,157	8,851,696	10,668,543	12,948,410	13,503,236
Total General Fund	\$0	\$0	\$0	\$0	\$0	\$14,665,527	\$17,929,655	\$14,755,529	\$17,043,144	\$17,597,970
All Other Governmental Funds										
Nondspendable Reported In:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	\$17,645,310
Restricted Reported In:										
Special Revenue Funds	-	-	-	-	-	\$20,662,737	\$21,387,592	\$16,328,148	\$14,522,868	\$14,497,725
Debt Service Funds	-	-	-	-	-	25,350,288	11,310,804	10,610,316	11,596,495	10,886,701
Capital Projects Funds	-	-	-	-	-	59,125,015	43,604,215	44,704,189	19,494,251	19,823,512
Committed Reported In:										
Special Revenue Funds	-	-	-	-	-	490,610	492,778	500,044	504,786	510,687
Capital Projects Funds	-	-	-	-	-	1,272,206	1,290,225	1,337,063	1,359,231	1,391,199
Unassigned, Reported In:										
Special Revenue Funds	-	-	-	-	-	(947,740)	(1,171,673)	(146,068)	(515,850)	(229,575)
Total All Other Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$105,953,116	\$76,913,941	\$73,333,692	\$46,961,781	\$64,525,559
Total Governmental Funds	\$34,949,479	\$68,407,760	\$72,529,792	\$77,207,978	\$82,192,584	\$120,618,643	\$94,843,596	\$88,089,221	\$64,004,925	\$82,123,529

Source: City of El Centro Finance Department

Note: With the implementation of GASB 54 in fiscal year 2011, the classification of fund balance has been revised.

CITY OF EL CENTRO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$15,737,431	\$17,443,206	\$19,015,210	\$19,339,300	\$18,130,565	\$18,946,072	\$15,890,617	\$13,315,271	\$13,320,695	\$13,583,961
Licenses and Permits	627,032	356,737	481,803	168,708	187,286	371,608	302,210	207,705	323,838	256,117
From Other Agencies (Intergovernmental)	13,987,316	21,342,682	14,857,094	15,415,033	14,535,601	19,077,784	16,232,143	21,422,955	19,438,874	15,548,121
Charges for Services	3,500,346	3,317,257	3,077,913	1,207,941	734,107	1,239,003	944,153	582,871	838,549	1,104,236
Fines and Forfeitures	308,777	245,420	219,396	220,262	231,871	227,122	278,452	191,553	171,456	260,484
Interest	1,029,744	2,687,724	3,346,291	1,499,315	419,452	383,826	1,020,249	1,039,533	565,289	859,566
Other	2,312,337	3,380,088	3,202,070	1,399,334	4,802,438	1,671,738	3,902,441	5,023,159	2,681,077	1,571,723
Total Revenues	37,502,983	48,773,114	44,199,777	39,249,893	39,041,320	41,917,153	38,570,265	41,783,047	37,339,778	33,184,208
Expenditures										
Current										
General Government	2,406,970	2,724,653	2,977,024	2,893,665	2,479,476	2,869,602	3,464,573	8,411,060	3,219,097	3,551,014
Public Safety	13,234,287	13,488,447	15,488,462	15,700,953	15,683,668	14,344,787	13,633,473	13,758,270	14,066,064	14,008,336
Public Works	6,200,384	2,970,548	3,802,853	2,426,909	2,381,628	2,559,744	1,645,024	1,603,595	1,613,630	1,295,399
Parks and Recreation	2,357,737	2,283,911	2,910,524	4,621,233	2,702,213	2,548,518	2,472,520	2,353,933	2,733,034	2,698,586
Community Development	5,780,631	5,619,056	5,721,596	5,144,726	8,023,357	5,091,505	5,081,752	7,171,937	2,006,113	2,166,885
Capital Outlay	-	9,300,478	7,147,457	2,714,767	12,850,526	18,946,489	10,275,049	13,098,714	10,258,712	6,515,733
Debt Service										
Principal Retirement	1,176,114	458,136	152,846	329,520	1,155,000	740,000	2,155,000	1,089,063	1,110,066	1,132,892
Interest and Fiscal Charges	525,529	854,985	1,876,983	2,459,603	3,247,874	3,430,028	3,941,012	1,574,703	1,259,809	1,478,077
Other	771,153	1,512,139	-	-	383,961	397,937	-	-	-	-
Total Expenditures	32,452,805	39,212,353	40,077,745	36,291,376	48,907,703	50,928,610	42,668,403	49,061,275	36,266,525	32,846,922
Excess of Revenues Over (Under) Expenditures	5,050,178	9,560,761	4,122,032	2,958,517	(9,866,383)	(9,011,457)	(4,098,138)	(7,278,228)	1,073,253	337,286
Other Financing Sources (Uses)										
Proceeds from capital leases	-	-	-	-	-	-	-	281,933	0	0
Transfers In	1,731,448	2,065,655	3,289,784	10,145,354	5,493,537	4,740,384	4,581,124	3,348,795	3,425,532	3,041,423
Transfers Out	(1,731,448)	(2,065,655)	(3,289,784)	(8,366,814)	(5,493,537)	(4,536,704)	(4,339,204)	(3,106,875)	(3,232,332)	(2,848,223)
Sales of Property	-	562,002	-	-	266,806	-	-	-	-	-
Issuance of Long Term Debt	-	31,195,000	-	-	14,740,000	47,300,000	-	-	-	-
Original Issue Discount	-	-	-	-	(255,817)	(171,331)	-	-	-	-
Payment of Refunded Bond Escrow Agent	-	(7,785,011)	-	-	-	-	-	-	-	-
Lease Proceeds/Short Term Debt	850,000	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	850,000	23,971,991	-	1,778,540	14,750,989	47,332,349	241,920	523,853	193,200	193,200
Extraordinary Item										
Gain/(Loss) on Transfer of Assets and Liabilities to RDA Successor Trust Funds	-	-	-	-	-	-	(21,823,412)	-	-	-
Net Change In Fund Balances	\$5,900,178	\$33,532,752	\$4,122,032	\$4,737,057	\$4,884,606	\$38,320,892	(\$25,679,630)	(\$6,754,375)	\$1,266,453	\$530,486
Debt Service as a percentage of non-capital expenditures	7.9%	7.6%	6.3%	8.2%	13.3%	14.3%	18.8%	7.2%	8.9%	9.6%

Source: City of El Centro Finance Department

**CITY OF EL CENTRO
PROPERTY AD VALOREM TAX ASSESSED VALUES ¹
LAST TEN FISCAL YEARS**

Year Ended June 30	Assessed Value ²	County Tax Rate Per \$100	City			Redevelopment Agency		
			Portion of Assessed Value	Tax Rate	Tax Levy	Portion of Assessed Value	Tax Rate	Tax Levy
2006	1,367,498,876	1.0000	971,264,895	0.225%	2,182,924	396,233,981	0.820%	3,994,402
2007	1,680,383,466	1.0000	1,253,770,313	0.262%	3,283,938	426,613,153	1.049%	4,474,239
2008	2,008,968,596	1.0000	1,509,497,358	0.214%	3,230,297	499,471,238	1.030%	5,144,949
2009	2,147,314,680	1.0000	1,519,039,128	0.210%	3,184,742	628,275,552	1.019%	6,403,531
2010	2,151,397,593	1.0000	1,481,883,898	0.207%	3,071,242	669,513,695	1.057%	7,074,488
2011	2,103,422,232	1.0000	1,471,969,889	0.208%	3,056,868	631,452,343	1.013%	6,397,159
2012	2,036,731,983	1.0000	1,431,557,030	0.210%	2,999,316	605,174,953	1.016%	6,145,821
2013	1,939,150,633	1.0000	1,324,180,588	0.222%	2,940,201	614,970,045	1.018%	6,262,469
2014	1,931,719,930	1.0000	1,333,160,938	0.222%	2,959,121	598,558,992	1.017%	6,088,570
2015	1,945,275,403	1.0000	1,346,489,168	0.224%	3,011,823	598,786,235	1.021%	6,111,606

¹ Estimated Actual Value of Taxable Property is not available since passage of Proposition 13 in 1978. Property assessed values may rise only to a maximum of 2% per year unless there is new construction or when the property is sold. Consequently, estimated values are not available.

² Pursuant to chapter 1207 of the statutes of 1978, "Assessed Value" means 100% of full taxable value.

Source: Imperial County Auditor's/Controller's Office

**CITY OF EL CENTRO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Direct Rates:										
City basic rate	\$0.225	\$0.262	\$0.214	\$0.210	\$0.207	\$0.208	\$0.210	\$0.222	\$0.222	\$0.224
Redevelopment Agency	0.820	1.049	1.030	1.019	1.057	1.013	1.016	1.018	1.017	1.021
Total City Direct Rate	1.045	1.311	1.244	1.229	1.264	1.221	1.226	1.240	1.239	1.245
Overlapping Rates:										
Imperial County	0.252	0.254	0.260	0.260	0.260	0.260	0.260	0.260	0.260	0.260
El Centro Elementary District	0.206	0.206	0.214	0.214	0.214	0.214	0.214	0.214	0.214	0.214
Central Union High School	0.213	0.214	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177
Imperial Valley College District	0.087	0.087	0.087	0.087	0.087	0.087	0.087	0.087	0.087	0.087
Imperial County School Service	0.018	0.018	0.019	0.019	0.019	0.019	0.019	0.019	0.019	0.019
Central Cemetery District	0.016	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017
Total Direct Rate	1.837	2.107	2.018	2.003	2.038	1.995	2.000	2.014	2.013	2.019

NOTE: In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.000% fixed amount. This 1.000% is shared by all taxing agencies for which the subject property resides within. In addition to the fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of bonded debt service on the voter-approved School District and Community College bonds.

Source: Imperial County Auditor/Controller's Office

**CITY OF EL CENTRO
PRINCIPAL PROPERTY TAXPAYERS
AS OF JUNE 30, 2015 AND 2006**

Taxpayer	Fiscal Year 2015			Fiscal Year 2006		
	Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
I V Plaza LLC (RJFP LLC)	\$ 47,550,340	2.44%	1			
Imperial Valley Mall II, LP	43,440,415	2.23%	2	39,446,623	2.88%	1
RJ Development Co. LLC	20,351,499	1.05%	3	15,697,120	1.15%	2
Wal-Mart Stores Inc.	18,657,726	0.96%	4			
Target Corporation	13,952,446	0.72%	5	13,142,563	0.96%	4
Auto Plaza Apartments LLC	12,500,000	0.64%	6			
Dillard Stores Services Inc	12,230,060	0.63%	7	12,127,290	0.89%	5
Costco Wholesale Corp	10,907,209	0.56%	8	10,380,480	0.76%	7
Scritage (Sears Roebuck)	9,719,740	0.50%	9	9,909,810	0.72%	8
Macy's California, Inc	8,960,000	0.46%	10	11,783,488	0.86%	6
Lowe's HIW Inc				13,717,661	1.00%	3
Food 4 Less of California				7,552,934	0.55%	9
JC Penny Properties Inc				7,484,021	0.55%	10
	<u>\$198,269,435</u>	<u>10.19%</u>		<u>\$141,241,990</u>	<u>10.33%</u>	

Source: Imperial County Assessor's Office

**CITY OF EL CENTRO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Delinquent Tax Collection	Total Collections to Date	
		Total Amount	Percent of Levy		Amount	Percent of Levy
2006	6,177,326	6,127,471	99.19%	-	6,127,471	99.19%
2007	7,758,177	8,631,946	111.26%	-	8,631,946	111.26%
2008	8,375,246	9,107,247	108.74%	-	9,107,247	108.74%
2009	9,588,273	10,262,937	107.04%	-	10,262,937	107.04%
2010	10,145,730	9,744,862	96.05%	-	9,744,862	96.05%
2011	9,454,027	8,929,915	94.46%	-	8,929,915	94.46%
2012	9,145,137	7,745,877	84.70%	-	7,745,877	84.70%
2013	9,202,670	8,905,252	96.77%	-	8,905,252	96.77%
2014	9,047,691	8,899,326	98.36%	-	8,899,326	98.36%
2015	9,123,429	8,277,075	90.72%	-	8,277,075	90.72%

Note: The amounts presented include City property taxes and the former Redevelopment Agency tax increment.

Source: Imperial County Auditor's/Controller Office

**CITY OF EL CENTRO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities				
	General Bonded Debt Outstanding	Capital Leases	Tax Allocation Loan Payable	Total Governmental Activities	Water & Wastewater Revenue Bonds	Hospital			Total Business-Type Activities
						Capital Leases	Revenue Bonds	Notes Payable	
2006	7,810,000	784,061	850,000	9,444,061	80,392,387	2,816,616	35,843,159	-	119,052,162
2007	31,195,000	202,366	950,000	32,347,366	79,480,477	2,530,211	34,763,672	-	116,774,360
2008	31,195,000	49,520	1,300,000	32,544,520	78,598,687	3,073,735	33,634,185	-	115,306,607
2009	30,915,000	-	1,300,000	32,215,000	77,109,643	4,566,340	32,452,989	-	114,128,972
2010	44,250,624	-	950,000	45,200,624	75,478,128	5,272,848	31,223,502	-	111,974,478
2011	90,653,090	-	1,300,000	91,953,090	73,778,919	7,887,666	29,934,015	1,003,300	112,603,900
2012	23,326,799	-	-	23,326,799	72,436,782	8,525,281	28,585,528	752,300	110,299,891
2013	22,325,508	217,870	-	22,543,378	70,906,481	5,244,431	27,147,041	5,001,300	108,299,253
2014	21,289,217	167,804	-	21,457,021	69,078,663	2,921,810	25,665,552	4,205,395	101,871,420
2015	20,232,926	114,912	-	20,347,838	66,592,684	4,913,329	50,000,000	-	121,506,013

Fiscal Year	Total Primary Government	Percentage Of Personal Income ¹	Per Capita ¹
2006	128,496,223	13.4%	3,059
2007	149,121,726	14.9%	3,545
2008	147,851,127	11.9%	3,413
2009	146,343,972	11.5%	3,303
2010	157,175,102	13.5%	3,700
2011	204,556,990	17.4%	4,756
2012	133,626,690	11.2%	3,049
2013	130,842,631	10.4%	2,961
2014	123,328,441	9.8%	2,780
2015	141,853,851	9.8%	3,163

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See the table of Population and Unemployment Rate later in this section for personal income and population data.

Source: City of El Centro Finance Department

**CITY OF EL CENTRO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Redevelopment Agency Tax Allocation Bonds	Lease Revenue Bonds	Financing Authority Revenue Bonds	Less: Amounts Available in Debt Service Funds	Total General Bonded Debt Outstanding	Percentage of Assessed Value of Property ¹	Per Capita
2006	7,810,000	-	-	4,865,171	2,944,829	0.2%	70
2007	31,195,000	-	-	9,648,227	21,546,773	1.3%	512
2008	31,195,000	-	-	11,694,089	19,500,911	1.0%	450
2009	30,915,000	-	-	13,486,103	17,428,897	0.8%	393
2010	30,555,000	13,695,624	-	13,766,251	30,484,373	1.4%	718
2011	66,340,000	13,387,515	10,925,575	13,246,908	77,406,182	3.7%	1,800
2012	²	13,069,406	10,257,393	2,568,642	20,758,159	1.0%	474
2013	²	12,746,297	9,579,211	2,564,268	19,761,242	1.0%	447
2014	²	12,413,188	8,876,029	2,571,814	18,717,405	1.0%	422
2015	²	12,070,079	8,162,847	2,571,818	17,661,110	0.9%	394

¹ Estimated Actual Value of Taxable Property is not available since passage of Proposition 13 in 1978. Property assessed values may rise only to a maximum of 2% per year unless there is new construction or when the property is sold. Consequently, estimated values are not available.

² Related debt for the Redevelopment Agency has been transferred to the Successor Agency.

Source: City of El Centro Finance Department

CITY OF EL CENTRO
STATEMENT OF DIRECT AND OVERLAPPING DEBT
As of June 30, 2015

2014 - 2015 Assessed Valuation:	\$1,945,275,403		
Redevelopment Incremental Valuation:	598,786,235		

City Adjusted Assessed Valuation	\$1,346,489,168		
	OUTSTANDING		ESTIMATED
	DEBT		SHARE OF
	6/30/2015	% APPLICABLE	OUTSTANDING
			DEBT
<hr/>			
OVERLAPPING TAX AND ASSESSMENT DEBT			
El Centro Elementary School District 1992, 2002, 2003 & 2015 Bonds	\$8,011,651	81.26%	\$6,510,268
Centro Union High School 1993, 2005 & 2011 Bonds	9,175,000	42.82%	3,928,735
Imperial Valley College 2004, 2010 & 2012 Bonds	<u>75,536,002</u>	12.56%	<u>9,487,322</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	<u>92,722,653</u>		<u>19,926,324</u>
TOTAL OVERLAPPING DEBT	<u>\$92,722,653</u>		\$19,926,324
CITY DIRECT DEBT ¹			<u>20,347,838</u>
TOTAL DIRECT AND OVERLAPPING DEBT ¹			<u>\$40,274,162</u>

¹ Excludes enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

² The percentage of the applicable debt is determined by the assessed valuation for the appropriate district as a percentage of the City's assessed valuation.

**CITY OF EL CENTRO
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Assessed Valuation	\$1,945,275,403
Debt Limit - 15% of Total Assessed Valuation ¹	\$291,791,310
Amount of Debt Applicable to the Limit	20,232,926
Legal Debt Margin	\$271,558,384

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Debt Limit	Total Debt Applicable	Legal Debt Margin	Total Debt Applicable As A Percentage Of Debt Limit
2006	205,124,831	7,810,000	197,314,831	3.8%
2007	252,057,520	31,195,000	220,862,520	12.4%
2008	301,345,289	31,195,000	270,150,289	10.4%
2009	322,097,202	30,915,000	291,182,202	9.6%
2010	322,709,639	44,250,624	278,459,015	13.7%
2011	315,513,335	90,653,090	224,860,245	28.7%
2012	305,509,797	23,326,799	282,182,998	7.6%
2013	290,872,595	22,325,508	268,547,087	7.7%
2014	289,757,990	21,289,217	268,468,773	7.3%
2015	291,791,310	20,232,926	271,558,384	6.9%

¹ Government Code 43605 of the State of California provides for a legal debt limit of 15% of gross assessed valuation

Source: City of El Centro Finance Department

**CITY OF EL CENTRO
PLEGDED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Year Ended June 30	Revenue Bonds (Water Fund)						Revenue Bonds (Wastewater Fund)							
	Water Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Principal ⁴	Interest	Total Debt Service	Debt Service Coverage	Wastewater Revenue ¹	Less: Operating Expenses ²	Net Available Revenue	Principal ⁴	Interest	Total Debt Service	Debt Service Coverage
2006	5,071,728	4,533,498	538,230	301,775	75,158	376,933	1.43	5,767,446	4,274,172	1,493,274	390,440	572,734	963,174	1.55
2007	7,077,791	4,586,429	2,491,362	169,345	1,252,492	1,421,837	1.75	6,710,963	4,204,570	2,506,393	405,403	1,732,866	2,138,269	1.17
2008	10,258,815	4,772,739	5,486,076	176,275	1,625,062	1,801,337	3.05	10,111,441	4,291,305	5,820,136	705,515	2,077,794	2,783,309	2.09
2009	8,746,874	5,259,361	3,487,513	648,263	1,603,802	2,252,065	1.55	8,233,782	4,439,283	3,794,499	840,780	2,045,574	2,886,354	1.31
2010	8,239,919	4,912,938	3,326,981	660,311	1,577,325	2,237,636	1.49	7,656,046	4,022,221	3,633,825	971,204	2,007,813	2,979,017	1.22
2011	8,279,438	4,857,400	3,422,038	687,420	1,550,621	2,238,041	1.53	7,591,025	4,162,870	3,428,155	1,011,790	1,967,316	2,979,106	1.15
2012	8,540,202	4,818,652	3,721,550	714,592	1,523,095	2,237,687	1.66	7,802,980	4,339,514	3,463,466	1,057,544	1,904,434	2,961,978	1.17
2013	8,661,011	4,875,237	3,785,774	741,831	1,494,499	2,236,330	1.69	8,091,373	4,207,032	3,884,341	788,470	1,736,765	2,525,235	1.54
2014	8,816,847	4,546,502	4,270,345	774,136	1,430,642	2,204,778	1.94	8,689,831	4,533,236	4,156,595	1,264,574	1,665,899	2,930,473	1.42
2015	8,570,456	4,603,505	3,966,951	801,510	1,082,132	1,883,642	2.11	8,995,182	5,268,375	3,726,807	1,300,861	1,117,888	2,418,749	1.54

Year Ended June 30	Revenue Bonds (Hospital Fund)						³ Redevelopment Agency Tax Allocation Bond					
	Hospital Revenue	Less: Operating Expenses ²	Net Available Revenue	Principal ⁵	Interest	Total Debt Service	Debt Service Coverage	Property Tax Increment	Principal	Interest	Total Debt Service	Debt Service Coverage
2006	83,992,429	77,748,347	6,244,082	1,060,000	1,920,000	2,980,000	2.10	3,239,705	190,000	450,990	640,990	5.05
2007	75,492,941	69,726,995	5,765,946	1,100,000	1,875,610	2,975,610	1.94	4,148,981	200,000	653,901	853,901	4.86
2008	84,339,214	76,521,688	7,817,526	1,150,000	1,828,860	2,978,860	2.62	4,417,356	0	1,344,868	1,344,868	3.28
2009	94,771,491	84,101,568	10,669,923	1,200,000	1,796,969	2,996,969	3.56	5,597,472	280,000	1,397,580	1,677,580	3.34
2010	106,897,444	94,597,611	12,299,833	1,250,000	1,726,610	2,976,610	4.13	5,410,352	360,000	1,384,340	1,744,340	3.10
2011	115,799,592	104,595,194	11,204,398	1,310,000	1,670,360	2,980,360	3.76	4,854,230	420,000	1,431,159	1,851,159	2.62
2012	133,547,434	120,995,707	12,551,727	1,369,000	1,610,100	2,979,100	4.21	3	3	3	3	3
2013	126,098,919	115,869,725	10,229,194	1,459,000	1,537,460	2,996,460	3.41	3	3	3	3	3
2014	128,111,189	116,528,884	11,582,305	1,519,000	1,461,051	2,980,051	3.89	3	3	3	3	3
2015	133,830,561	116,804,256	17,026,305	1,599,000	1,733,430	3,332,430	5.11	3	3	3	3	3

¹ Interest Revenue and Grant Revenue is included for this calculation

² Depreciation is eliminated for this calculation.

³ Redevelopment Agency Tax Allocation Bonds were transferred to the Successor Agency

⁴ One principal payment related to the 2006 Water & Wastewater Bonds was shown, since the remaining balances were refunded and no payments were due on the new 2014 Water & Wastewater Debt in Fy 2015

⁵ One principal payment related to the 2001 Hospital Bonds was shown, since the remaining balance was refunded and no payments were due on the new 2015 Debt in Fy 2015

**CITY OF EL CENTRO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u> ¹	<u>Personal Income</u> ²		<u>Unemployment</u> <u>Rate</u> ²	<u>Elementary</u> <u>School</u> <u>Enrollment</u> ³
		<u>Total</u>	<u>Per Capita</u>		
2006	42,002	960,627,742	22,871	15.0%	5,821
2007	42,071	999,480,747	23,757	17.0%	5,732
2008	43,316	1,240,613,556	28,641	22.5%	5,769
2009	44,303	1,270,654,343	28,681	29.4%	5,517
2010	42,480	1,161,488,160	27,342	32.1%	5,352
2011	43,013	1,176,061,446	27,342	29.7%	5,200
2012	43,827	1,198,317,834	27,342	29.4%	5,022
2013	44,192	1,252,887,392	28,351	24.7%	4,973
2014	44,366	1,257,820,466	28,351	24.6%	4,995
2015	44,847	1,445,194,575	32,225	22.9%	5,091

¹ Source: California Department of Finance

² Source: California Employment Development Department

³ Source: El Centro Elementary School District

**CITY OF EL CENTRO
PRINCIPAL EMPLOYERS
AS OF JUNE 30, 2015 AND 2005**

Employer	Type Of Business	Fiscal Year 2015			Fiscal Year 2005 ²		
		Employees	Percent of Total Employment	Rank	Employees	Percent of Total Employment	Rank
County of Imperial ¹	Governmental	2,236	3.58%	1	1,800	3.35%	1
Homeland Security/U.S. Border Patrol ¹	Government	1,420	2.27%	2	800	1.49%	6
Imperial Irrigation District	Water and Power	1,264	2.02%	3	1,200	2.23%	2
Centinela State Prison	Prison	1,250	2.00%	4	1,150	2.14%	4
El Centro School System ¹	Education	1,236	1.98%	5	1,133	2.11%	5
Calipatria State Prison	Prison	1,180	1.89%	6	1,200	2.23%	3
El Centro Regional Medical Center ¹	Hospital	984	1.57%	7	513	0.95%	8
Naval Air Facility	Military	525	0.84%	8	601	1.12%	7
Imperial Valley College	Education	520	0.83%	9	506	0.94%	9
Wal Mart ¹	Retail	417	0.67%	10	300	0.56%	10
Costco ¹	Retail	243	0.39%	11	180	0.33%	11
Cal Energy Operating Co./Ormat	Power	219	0.35%	12			
J. C. Penney ¹	Retail	147	0.24%	13			
Lowe's ¹	Retail	132	0.21%	14			
		<u>11,773</u>	<u>18.84%</u>		<u>9,383</u>	<u>17.44%</u>	

"Total Employment" as used above represents the total employment within the County of Imperial

¹ Employers within or near the geographical boundaries of the City of El Centro

² Data for the year 2006 is not available and the year 2005 data is the closest data that is available to the year 2015

Source: City of El Centro Economic Development Department

**CITY OF EL CENTRO
EMPLOYEES BY FUNCTION (FULL TIME EQUIVALENTS)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government	23.0	24.0	28.0	28.0	28.0	28.0	25.0	25.5	25.5	26.5
Public Safety	114.5	121.5	127.0	124.0	124.0	124.0	123.0	126.0	123.0	123.0
Public Works	13.3	13.3	13.0	13.0	13.0	13.0	12.2	12.2	12.2	12.2
Parks and Recreation	14.0	15.0	15.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Community Development	20.5	21.5	21.0	21.0	23.0	23.0	21.0	20.0	20.0	20.0
Water	22.8	22.8	23.0	23.0	23.0	23.0	20.7	20.9	19.9	19.9
Sewer	23.9	23.9	24.0	24.0	24.0	24.0	23.1	23.4	23.4	24.4
Total Government-Wide Employees	232.0	242.0	251.0	249.0	251.0	251.0	241.0	244.0	240.0	242.0

Source: City of El Centro Finance Department

**CITY OF EL CENTRO
CONSTRUCTION ACTIVITY AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Permits	Total Valuation	Commercial and Office		Residential Construction ¹		Other Additions and Alterations ¹		Bank Deposits ^{2*}
			Number Permits	Valuation	Number Permits	Valuation	Number Permits	Valuation	
2006	787	77,837,746	180	26,717,271	501	47,358,435	106	3,762,040	995,491
2007	698	55,021,009	186	34,921,521	126	\$16,510,363	386	3,589,125	1,148,186
2008	701	73,238,974	280	39,305,493	153	\$31,561,282	268	2,372,199	808,801
2009	519	19,422,765	157	11,195,149	131	\$5,879,269	231	2,348,347	721,134
2010	517	18,162,590	201	14,655,090	103	\$2,081,888	213	1,425,612	720,046
2011	463	54,155,698	170	50,808,067	179	\$2,532,493	114	815,138	592,763
2012	431	25,073,302	203	17,378,318	161	\$7,149,231	67	545,753	632,842
2013	454	17,784,542	164	13,470,009	172	\$3,567,531	118	747,002	646,879
2014	418	27,830,621	108	17,790,385	262	\$9,470,642	48	569,594	600,257
2015	302	19,001,684	91	7,458,694	155	\$10,850,647	56	692,343	987,090

* Amounts expressed in thousands

¹ Source: City of El Centro Building Department

² Source: Federal Deposit Insurance Corporation

**CITY OF EL CENTRO
CAPITAL ASSETS STATISTICS
BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	48	55	58	55	52	52	52	52	52	52
Fire:										
Stations	2	2	2	2	2	2	3	3	3	3
Number of Firefighters	33	37	40	40	40	40	40	41	41	41
Parks and Recreation:										
Parks	13	13	14	14	14	14	14	14	17	17
Community Centers	1	1	1	1	1	1	1	1	1	1
MLK Sports Court	-	-	-	-	-	-	-	-	-	1
Library	1	1	1	1	1	1	1	1	1	1
Water:										
Number of customers	9,404	9,514	9,519	9,574	9,523	9,674	9,699	9,755	9,799	9,822
Maximum pumping capacity (thousands of gallons)	17,000	17,000	17,000	17,000	17,000	17,000	21,000	21,000	21,000	21,000
Average daily consumption (thousands of gallons)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	7,000
Miles of lines and mains	131	131	131	131	131	131	131	131	131	131
Wastewater:										
Maximum treatment capacity (thousands of gallons)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Average daily flow (thousands of gallons)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,300	3,300	3,300
Miles of lines and mains	129	129	129	129	129	129	129	129	129	129
Other:										
City Land Area (Square Miles)	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05
Miles of Storm Drain	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Miles of City Streets	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0

Source: City of El Centro Finance Department

**CITY OF EL CENTRO
DEMANDS FOR CITY SERVICES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Number of Utility Customers</u>	<u>Number of Police Calls - Total</u>	<u>Number of 911 Emergency Calls</u>	<u>Number of Sworn Officers</u>	<u>Number of Fire Calls ¹</u>	<u>Number of Fire Fighters</u>
2006	42,002	9,404	49,274	13,975	48	3,394	33
2007	42,071	9,514	57,034	15,956	55	3,301	37
2008	43,316	9,519	42,031	17,712	58	3,353	40
2009	44,259	9,574	49,343	17,402	55	3,384	40
2010	45,365	9,523	46,069	21,208	52	3,590	40
2011	43,013	9,674	38,127	21,052	52	2,726	40
2012	43,827	9,699	38,207	23,233	52	3,745	40
2013	44,192	9,755	38,568	22,751	52	3,848	41
2014	44,366	9,799	33,556	19,839	52	4,024	41
2015	44,847	9,822	37,695	23,516	52	4,123	41

¹ Includes calls for fires, medical calls, traffic accidents and hazardous conditions.

Source: City of El Centro Finance Department, Fire Department, and Police Department