

# CITY OF EL CENTRO

## Comprehensive Annual Financial Report For The Year Ended June 30, 2017



City of El Centro  
1275 Main Street  
El Centro, CA 92243

Prepared by the Finance Department

# City of El Centro, California



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by the Finance Department

Leticia Salcido, Director

CITY OF EL CENTRO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2017

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## **INTRODUCTORY SECTION**



January 23, 2018

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, 2017.

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, 2017, 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, 2017, 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**

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.

*Finance Department*

1275 Main Street, El Centro, CA 92143 (760) 337-4573 Fax (760) 337-4564



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 45,628. 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 even-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 by more than fifty thousand dollars (\$50,000) 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 110 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 188,334. The City of El Centro is the largest City in the County, with a population of approximately 45,628 (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.

The City of El Centro experienced unprecedented growth during the three fiscal years of 2004-05, 2005-06 and 2006-07. The growth happened in both commercial and residential development. A 766,333 square foot regional mall and a two strip malls were built in the City. These three projects helped diversify the City's economy and attracted residents of surrounding cities as well as from Mexicali, Mexico. Some of the major retailers include Macy's, Dillard's, JC Penney, Sears, BestBuy, Ross, Burlington Coat Factory, Marshall's, Michael's, Bed & Bath & Beyond, DSW, Kohl's, Kirklands, Ulta, Bev Mo, and others. Some of the restaurants that opened around the new mall are; Olive Garden, Denny's, Johnny Carino's, Starbucks and others.

During these years the commercial development brought a substantial increase in retail opportunities to the City as well as an increase in sales and sales tax revenue. Revenues for the General Fund increased to \$27.1 million by fiscal year 2007. The economy slowed down during fiscal year 2008 and severely contracted during fiscal year 2010 as a result of the Great Recession. During the period of economic contraction (FY 2008 to FY 2010), total revenues for the general fund declined by \$4.2 million (15%) to \$22.9 million. 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.

The General Fund revenues for fiscal year 2017 totaled \$26.1 million. This is an increase of \$3.2 million from the low in fiscal year 2010. However it still remains \$1 million below the all-time high of \$27.1 million experienced in fiscal year 2007. Some of the revenue sources that still remain low include building related fees and interest earnings.

While revenues have significantly improved, the City still remains cautious with regards to new ventures and continues to strategize in order to ameliorate the impact of continued challenges. Some of the challenges the City continues to face are the increase in pension and personnel costs. Based on the last Cal-Pers valuation it is estimated that pension costs will increase an additional \$3.2 million by fiscal year 2025.

Another challenge the City is facing is the need for new facilities as well as deferred maintenance. The City is in need of a library building to replace the temporary facilities that the City has leased since the old building was deemed unsuitable for occupancy as a result of the 7.2 magnitude

earthquake in 2010. The City is in need of a new police station which will meet the need for additional space and new regulatory requirements. Other needs include; new animal shelter; additional parks; improvements to current parks, parking lot resurfacing; IT infrastructure

The City proposed and citizens approved Measure P which increased the retail sales tax by half of one percent (1/2%). The projected revenue from this tax is approximately \$5 million per year. This additional tax became effective April 1, 2017 and is to be used to maintain general City services and facilities including police, fire, library, parks, recreation, senior programs and street maintenance and upgrade. The City will determine the priority of the various capital projects in order to determine the par amount of sales tax revenue bonds to issue for this endeavor.

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 128% of national averages
- The regional mall and the continued interest for increased commercial development surrounding the mall and in other areas of the City. In addition to the new businesses that opened last fiscal year (second Ross store and the specialty grocery store Aldi's), an Ashley Home Store, Planet Fitness and Buffalo Wild Wings have opened this fiscal year.
- 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, 2017 is \$18.2 million. Of this amount approximately \$4.6 million has been assigned to fund the other post-employment benefit liability (OPEB). The unassigned portion of fund balance is \$13.6 million or 52% of operating expenditures. Approximately \$1 million of this fund balance is from Measure P funds. The level of fund balance falls within the policy guidelines set by the City for budgetary and planning purposes. In addition to fund balance the City has funded 100% of the \$6.4 million actuarial accrued liability for OPEB. This is set up in an irrevocable trust Cal-Pers. The OPEB liability was calculated through an actuarial analysis. This liability is reflected on the Government Wide Financial Statements.

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

Other revenue sources approved by the City include 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.

### **OPEB – Other Post Employment Benefit liability**

Governments have pension obligations to their current and retired employees and these are calculated and accounted for. The City of El Centro provides post-retirement health and dental care benefits, as required by the various collective bargaining agreements for retirees that meet certain criteria. The City of El Centro implemented GASB requirements with the financial statement for fiscal year ended June 30, 2009 and recognized a net pension liability relative to OPEB. An independent actuarial valuation determined the unfunded actuarial accrued liability and

certain criteria. The City of El Centro implemented GASB requirements with the financial statement for fiscal year ended June 30, 2009 and recognized a net pension liability relative to OPEB. An independent actuarial valuation determined 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 \$149,000. The liability totals \$6.7 million and the City has prefunded, in an irrevocable trust, the full amount.

#### **GASB 54**

This is the fifth 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 \$18.2 million includes an unassigned balance of \$13.6 million. Of this unassigned amount \$2.6 million is for economic uncertainties per the City's policy.

#### **GASB 68**

This is the third 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, 2016, using an annual actuarial valuation prepared by Cal-Pers for the miscellaneous plan and Bartell & Associates for the safety plan. The net pension liability is \$13.4 million for the miscellaneous plan and \$28.6 million for the safety plan.

#### **Awards and Acknowledgements**

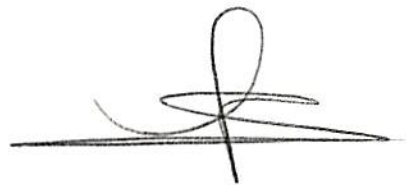
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Centro for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the tenth consecutive 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,

*for*  


Marcela Piedra  
Deputy City Manager



Leticia Salcido  
Director of Finance

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

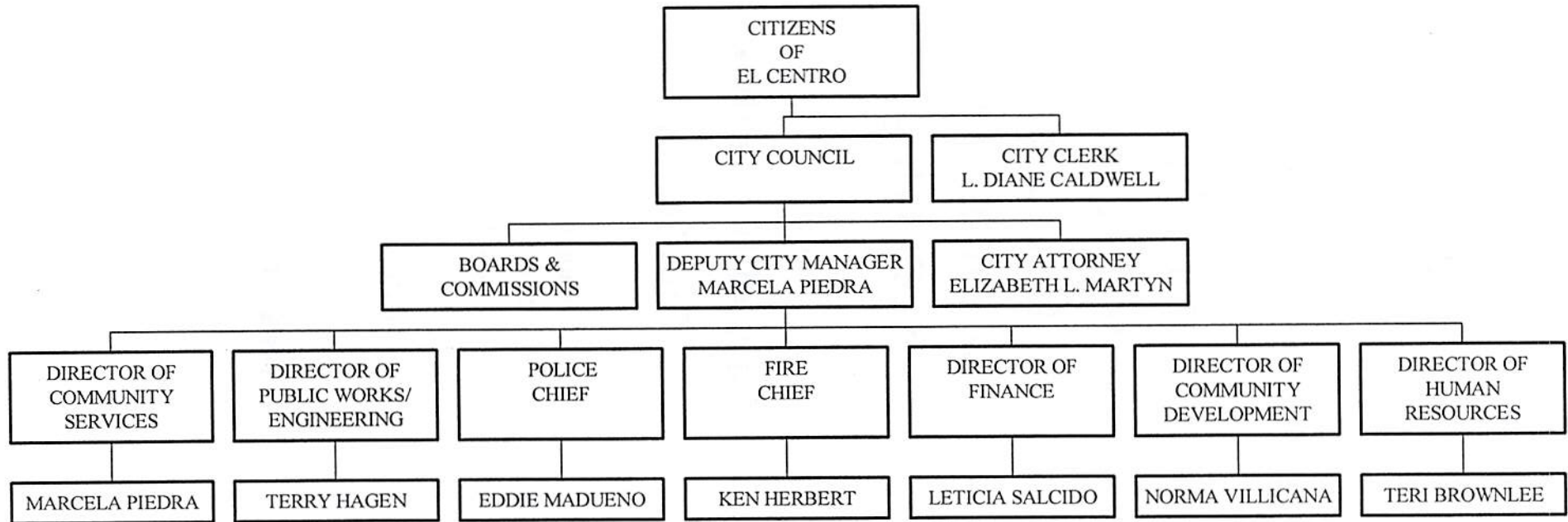
**City of El Centro  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# City of El Centro Organizational Chart



# CITY OF EL CENTRO

**Alex Cardenas  
Mayor**

**Cheryl V. Walker  
Council Member**

**Efrain Silva  
Council Member**

**Jason Jackson  
Council Member**

**Edgar Garcia  
Council Member**

**Diana Caldwell  
City Clerk**

**Marcela Piedra  
Deputy City Manager**

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

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

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

**Richard Romero  
Finance Manager**

**Karla Chaparro  
Accounting Specialist**



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## **FINANCIAL SECTION**



# MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

## **PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

## **COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DRIVE, SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

## **GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM, SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

## **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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **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, which represents 57.9%, 86.5%, and 53.4%, respectively, of the assets, revenues and net position of Business-type activities. 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, based on our audit and the report of other auditors, 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, 2017, 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 of the notes to the basic financial statements effective July 1, 2016, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension", Statement No. 77, "Tax Abatement Disclosures", Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plan", and Statement No. 80, "Blending Requirements for Certain Component Units –an amendment of GASB Statement No. 14". 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 Pension Contributions – City Miscellaneous Plan, the Schedule of Proportionate Share of Net Pension Liability – City Safety Plan, the Schedule of Pension Contributions – City Safety Plan, the Schedule of Proportionate Share of Net Pension Liability – Hospital Plan, the Schedule of Pension 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 January 23, 2018, 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  
January 23, 2018

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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, 2017. 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 \$215,673. Of this amount, \$42,364 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$9,866, excluding any prior period adjustments. Through current fiscal year's transaction, the governmental activities decreased the City's net position by \$1,005 and the business-type activities decreased by \$8,861. The decline in business-type activities is due to the decline in the amount of \$11.8 million in the Hospital Enterprise Fund.

#### 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 \$78,676. Approximately 17% or \$13,552 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 \$13,565 or approximately 51 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, economic development, blight elimination, parks, recreation and library. 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 61 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 37-98 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 99-110 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 \$215,673 (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 \$126,946 (approximately 59 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 \$51,056 is related to business type activities with approximately \$44,598 in the hospital fund and \$6,458 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 \$46,363 (approximately 21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$42,363, 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 in fiscal year 2014 to negative \$3.5 million in fiscal year 2015. The decline was due to the adjustment for net pension liability as required by GASB 68. The adjustment was for \$27.9 million. The unrestricted net position for Governmental activities increased to negative \$2 million in fiscal year 2016 and positive \$1.1 million in fiscal year 2017.

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, for the government as a whole, as well as for its separate business-type activities.

Table 1 – City of El Centro Net Position  
June 30, 2017 (Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current Assets and Other Assets	102,244	101,471	123,927	142,004	226,171	243,475
Capital Assets	82,194	86,373	134,710	128,758	216,904	215,131
Total Assets	184,438	187,844	258,637	270,762	443,075	458,606
Deferred loss on refunding			4,223	4,454	4,223	4,454
City's Contributions subsequent to the measurement	15,995	8,147	10,290	6,275	26,285	14,422
Total Deferred Outflow of Resources	15,995	8,147	14,513	10,729	30,508	18,876
Current and Other Liabilities	13,545	9,762	26,809	17,067	40,354	26,829
Long-term Liabilities	66,023	62,342	146,404	155,968	212,427	218,310
Total Liabilities	79,568	72,104	173,213	173,035	252,781	245,139
Differences between projected and actual earnings on pension plan investments	3,906	5,923	1,221	1,407	5,127	7,330
Total Deferred Inflow of Resources	3,906	5,923	1,221	1,407	5,127	7,330
Net Position:						
Net investment in Capital Assets	75,890	78,819	51,056	26,493	126,946	105,312
Restricted	39,980	41,186	6,384	6,931	46,281	48,117
Unrestricted	1,089	(2,041)	41,275	73,625	42,447	71,584
Total Net Position	116,959	117,964	98,715	107,049	215,674	225,013

As shown in Table 2 (below), the City of El Centro's total Net Position decreased by \$9,866, while Governmental Activities Net Position decreased by \$1,005.

Table 2 – City of El Centro Changes in Net Position  
For the Fiscal Year Ended June 30, 2017 (Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	1,666	1,895	151,378	152,835	153,044	154,730
Operating Grants & Contributions	3,076	4,308	284	401	3,360	4,709
Capital Grants & Contributions	5,963	6,290	-	386	5,963	6,676
<b>General Revenues:</b>						
Property Tax	3,274	3,185	-	-	3,274	3,185
Sales Tax	12,864	11,462	-	-	12,864	11,462
Motor Vehicle in Lieu of Taxes	4,096	3,921	-	-	4,096	3,921
Investment Earnings	202	184	560	938	762	1,122
Other	2,473	2,538	97	(42)	2,570	2,496
<b>Total Revenues</b>	<b>33,614</b>	<b>33,783</b>	<b>152,319</b>	<b>154,518</b>	<b>185,933</b>	<b>188,301</b>
<b>Expenses:</b>						
General Government	3,260	3,189	-	-	3,260	3,189
Public Protection	16,549	15,992	-	-	16,549	15,992
Community Development	5,045	4,905	-	-	5,045	4,905
Public Works	4,375	4,167	-	-	4,375	4,167
Parks and Recreation	4,354	4,295	-	-	4,354	4,295
Interest on Long-Term Liabilities	1,036	1,311	-	-	1,036	1,311
Water	-	-	8,085	7,835	8,085	7,835
Wastewater	-	-	7,744	7,416	7,744	7,416
Hospital	-	-	143,496	130,185	143,496	130,185
Other	-	-	1,855	2,259	1,855	2,259
<b>Total Expenses</b>	<b>34,619</b>	<b>33,859</b>	<b>161,180</b>	<b>147,695</b>	<b>195,799</b>	<b>181,554</b>
Excess (Deficiency) before transfers	(1,005)	(76)	(8,861)	6,823	(9,866)	6,747
Transfers	-	-	-	-	-	-
<b>Increase (Decrease) in Net Position</b>	<b>(1,005)</b>	<b>(76)</b>	<b>(8,861)</b>	<b>6,823</b>	<b>(9,866)</b>	<b>6,747</b>
Net Position - Beginning of Fiscal Year	117,964	118,063	107,049	100,225	225,013	218,288
Prior Period Adjustments	-	(23)	527	1	527	(22)
Net Position - Beginning of Fiscal Year (restated)	117,964	118,040	107,576	100,226	225,540	218,266
<b>Net Position - End of Fiscal Year</b>	<b>116,959</b>	<b>117,964</b>	<b>98,715</b>	<b>107,049</b>	<b>215,674</b>	<b>225,013</b>

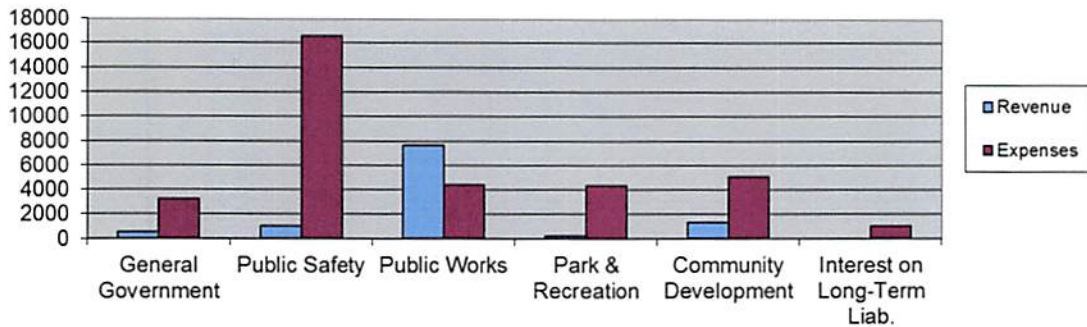
### Governmental Activities

The change in Net Position for Governmental Activities was a decrease of \$1,005 for the fiscal year ended June 30, 2017. The following were the key elements in the change in net position:

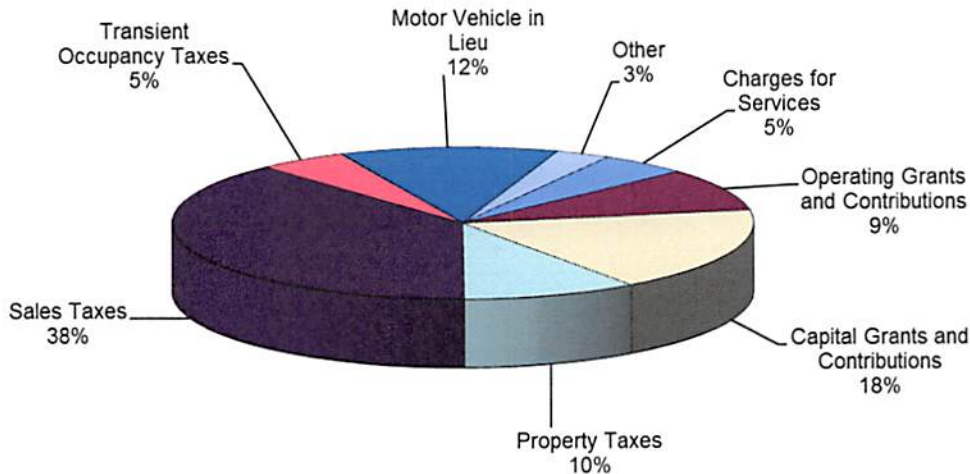
- Total revenues and transfers decreased 0.5 percent to \$33,614. Expenses increased 2.2 percent to \$33,614.
- Total revenues and transfers decreased from previous year due to the following decreases and increases
  - The increases in revenues from the previous year were primarily due to the following reasons;
    1. FEMA revenues \$ 185

2. Grant funding in the following funds; Police Grants \$39, OTS Grant \$10, State COPS Grant \$22, Federal Highway Administration \$626
  3. General fund in the following areas; Sales Tax \$1,769, Motor Vehicle License Fees \$175, Property Taxes \$67, Document Taxes \$15, Charges Current Services \$59, Housing Authority \$4, Interest Income \$9
  4. LTA revenue \$61
  5. Development Impact Fees \$89
  6. Legacy, Buena Vista & Town Center L&LD \$23
  7. Special Events contributions \$4
  8. IID Project Program Income \$5
  9. CalHome PI \$ 26
- The decrease in revenues from the previous year were primarily due to the following reasons;
1. General Fund in the following areas; Business License \$20, Franchise Fees \$13, Federal Grants \$5, State Grants \$32 Post Reimbursement \$37, License & Permits \$56, Transient Occupancy Tax \$25, Other Income \$110, Court Fines \$6, Sales Tax Compensation \$367, Other Agencies \$131
  2. Grant funding in the following funds; Skate Park Grant \$808, HUD Entitlement Federal Funding \$554
  3. Gas Tax \$110
  4. Asset Forfeiture \$42
  5. Interest Revenue \$173
  6. Park in Lieu Fees \$220
  7. CDBG Program Income \$22
  8. SA Housing Program Income \$28
- Total Expenses increased 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 \$6, OTS Grant \$15
  2. Home Program Income \$15
  3. Traffic Safety \$9
  4. Financing Authority decline in interest expense \$232
  5. Asset Forfeiture \$44
  6. Bus Shelter expenses \$4
  7. HUD Entitlement \$40
- The increase in expenses from the previous year was primarily due to the following reasons;
1. General Fund Salaries & Benefits \$251
  2. General Fund Professional Fees \$608
  3. General Fund Liability Ins. \$119
  4. General Fund Other Expense \$117
  5. Police Grants \$50
  6. State COPS Grant \$21
  7. Legacy, Buena Vista, Town Center L & LD \$10

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



**Revenues and Transfers by Source-Governmental Activities**

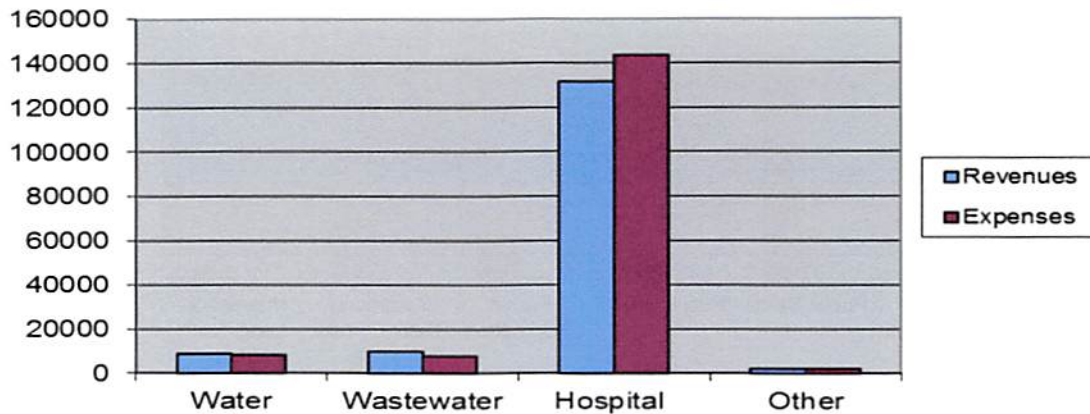


**Business-type activities**

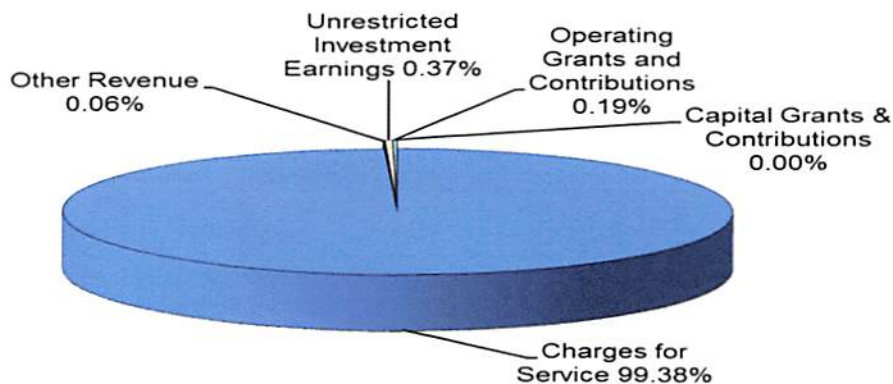
The Net Position for business-type activities decreased by \$8,334. In fiscal year 2017 revenues decreased by \$2,199 or 1.42 percent. Expenses increased by \$13,485 or 9 percent.

- Total revenues decreased from previous year due to the following changes:
  1. Decrease - Charges for services \$1,457
  2. Decrease - Capital grants & contributions \$386
  3. Decrease - Operating grants & contributions \$117
  4. Decrease - Investment earnings \$378
  5. Increase – other \$139

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



**Revenues by Sources - Business-type Activities**



There are three major proprietary funds. The major funds are the following; water fund, wastewater fund and the hospital fund. The net position for each of these funds changed as follows: the water fund increased from \$22,604 to \$23,406 for an increase of 3.55%. The wastewater fund increased from \$20,067 to \$22,242 or 10.84%. The Hospital’s net position decreased from \$64,600 to \$52,751 or 18.34%.

**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 \$78,676, a decrease of \$573 in comparison with the prior fiscal year. Approximately 17% of the total ending fund balance in the amount of \$13,606 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 \$13.6 million and the amount of assigned fund balance for other post-employment benefit liability is \$4.7 million (GASB 45 requires the recording of a liability for OPEB on the government wide financial statements). Total fund balance as of June 30, 2017 was \$18.2 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 51 percent of total general fund expenditures, while total fund balance represents 69 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 \$26,252, which was an increase of \$1,296 or approximately 5 percent over the prior fiscal year.
  - Taxes increased by \$1.8 million or 11% from last year. The increase is primarily from higher sales tax revenues. Measure P increased the sales tax rate by half of one percent effective April 1, 2017.
  - Intergovernmental revenues decreased by \$395 due to the following; decrease in OPEB reimbursement \$297, decline in sales tax compensation \$367, decline in POST reimbursement \$37, increase in motor vehicle license fees \$175, decline in state grants \$32 and increase in receipts from other agencies \$165. The decline in sales tax in lieu was due to the expiration of this shift in taxes by the State.
  - Taxes increased by \$1,794 due to the following: increase in property taxes \$67, increase in sales taxes \$1,769, decline in business license \$20 and decline in transient occupancy tax \$25. The increase in sales tax was due to the end of the sales tax in lieu (triple flip).
  - Charges for services increased by \$59 from environmental impact fees.
- Expenditures for the general fund totaled \$26,369. This is an increase of \$69 or approximately 0.3 percent over the prior fiscal year. General government increased by \$40, Public Safety increased by \$779, Public Works decreased by \$40, Parks & Recreation increased by \$71, Community Development decreased by \$34, and capital purchases increased by \$745.

### **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 \$98,715. This amounts to a decrease in net position for all enterprise funds in the amount of \$8,334. 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 3% or \$961 of which approximately \$504 was adjustments for capital. The budget adjustments to capital were as follows: \$10 is for City Clerk server, \$6 City manager office machines, \$6 Human Resources office machines, \$14 Finance copier/printer, \$15 Non-departmental remodeling lunch room & projector for conference room, \$9 police department computers, \$12 Communications computers, \$50 Fire wireless antenna repairs and office machines, \$5 Public Works administration computers, \$132 Parks Veterans Park memorial, \$14 Community Center furniture & fixtures, \$178 Youth Center HVAC replacement, \$4 Sport Court equipment, \$15 Splash Pad equipment, \$22 Skate Park improvements, \$14 Library equipment, \$3 Economic development equipment.

Actual expenditures for the fiscal year in the amount of \$26,369 were \$5,362 (17%) 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 2018, decline in other capital expenditures \$63, salary savings due to vacant positions \$1,027 and lower expenditures in supplies & services \$272.

**Capital Asset and Debt Administration**

As of June 30, 2017 the City’s investment in capital assets for its governmental and business-type activities amounted to \$216,904 (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 changes in capital asset during the current fiscal year included the following:

- Park improvements \$414 (skate park, veteran memorial)
- Public safety vehicle acquisition of \$29
- Street improvements of \$3,561
- Library demolition \$447
- Fire department improvements \$46
- Park & Recreation equipment \$9
- Office machines and software \$163
- Public safety equipment 23
- Water and Wastewater system vehicles \$80 and equipment totaling \$109
- Library building \$65

Table 3 – City of El Centro’s Capital Assets  
(Net of Accumulated Depreciation)  
June 30, 2017 (Thousands)

	Governmental Activities	Business-Type Activities	Total
Land	2,346	1,776	4,122
Building & Improvements	49,067	95,867	144,934
Infrastructure	23,737	-	23,737
Vehicles	1,164	457	1,621
Furniture & Equipment	1,599	15,409	17,008
Construction in Progress	4,281	21,201	25,482
			-
<b>Total</b>	<b>82,194</b>	<b>134,710</b>	<b>216,904</b>

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 \$217,477. The composition of long-term debt is outlined in Table-4 below.



Table 4 – The City’s Outstanding Debt  
June 30, 2017 (Thousands)

	Governmental	Business-Type	
Outstanding Debt	Activities	Activities	Totals
Advances from Successor Agency	10,381	-	10,381
Revenue Bonds and Installment Sales, Net	18,020	105,941	123,961
Capital Leases	-	4,738	4,738
Note Payable	-	-	-
Other Post-Employment Benefits	(3,909)	-	(3,909)
Net Pension Liability	37,654	41,980	79,634
Compensated Absences	2,184	488	2,672
<b>Total</b>	<b>64,330</b>	<b>153,147</b>	<b>217,477</b>

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

- Insured Hospital Revenue Bonds in the amount of \$44,240. 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 \$1,999. 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 \$10,380 due to issuance of the 2011 successor bonds series C
- Revenue Bonds in the amount of \$11,339. The City of El Centro issued \$14,740 in revenue bonds in 2009 for transportation related improvements.
- Revenue Bonds in the amount of \$6,681. 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 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 \$53.7 million. The City of El Centro issued \$52.5 million in revenue bonds in 2014 to refund all 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 \$37,654 and for the Business Type Activities of \$41,980.

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 81-85 and RSI on pages 99-107.

#### **Economic Factors**

During fiscal years 2004 to 2007 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. General Fund revenues declined from \$27.1 million in 2007 to \$22.9 in fiscal year 2010. The City developed various cost cutting measures which combined with a strong fund balance allowed the City to sail the recession without the need for lay-offs or furloughs.

The economy has improved and this has allowed the City's revenues to continue to increase. Revenues for the General Fund increased from \$25,942 in fiscal year 2016 to \$26,113 in fiscal year 2017. In addition to these revenues the City received an additional \$1 million from the incremental half percent sales tax rate approved by our Citizens and which became effective April 1, 2017. This incremental tax revenue is designated for major capital facilities such as a police station and library building (The City's old library building was demolished as a result of the 7.2 magnitude earthquake in 2010 that deemed it unsuitable for occupancy and the current police station is outdated and does not meet the requirements to accommodate growth and new regulations). Plans are underway to bond the future revenue stream from this incremental tax. Any revenues generated prior to the bond issuance will be used to address the most urgent capital needs. The City established working groups to review major capital needs in all divisions within the General Fund. Priorities will be established in order to determine which capital projects to address from the bond proceeds and remaining ongoing revenues.

The factors which will contribute to the continued improvement in the local economy include the following: Continued interest in commercial development which has also attracted new restaurants and hotels to the City, plans for new residential development which will begin construction in fiscal year 2018, more diverse economy with per capita sales at 128% of national averages, the regional 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 to 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, 2017

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and Investments	\$ 52,638,480	\$ 61,884,857	\$ 114,523,337
Restricted Assets:			
Cash and Investments		12,675,800	12,675,800
Cash and Investments with Fiscal Agent	21,068,749	21,044,017	42,112,766
Receivables (net of allowances for uncollectibles)			
Accounts	250,796	18,570,960	18,821,756
Taxes	2,992,959		2,992,959
Interest	1,081,677	34,409	1,116,086
Grants	1,772,933		1,772,933
Notes	17,293,980	111,834	17,405,814
Other	958,496	382,228	1,340,724
Internal Balances	218,131	(218,131)	
Due from Third-Party Payors		1,789,319	1,789,319
Inventories		1,782,881	1,782,881
Net OPEB Asset	3,908,799		3,908,799
Prepaid Items		1,936,562	1,936,562
Investment in Joint Venture		561,388	561,388
Land Held for Resale	59,089		59,089
Capital Assets Not Being Depreciated	6,626,918	22,977,260	29,604,178
Capital Assets, Net of Accumulated Depreciation	75,566,866	111,732,849	187,299,715
Goodwill		3,370,409	3,370,409
Total Assets	184,437,873	258,636,642	443,074,515
<b>Deferred Outflow of Resources:</b>			
Deferred Loss on Debt Refunding		4,222,780	4,222,780
Pension	15,994,823	10,289,876	26,284,699
Total Deferred Outflow of Resources	15,994,823	14,512,656	30,507,479
<b>Liabilities:</b>			
Accounts Payable	2,715,550	10,801,073	13,516,623
Salaries/Benefits Payable	678,181	7,162,195	7,840,376
Interest Payable	289,525	592,183	881,708
Unearned Revenue	755,212	21,302	776,514
Deposits	6,890,616	167,392	7,058,008
Non-Current Liabilities:			
Due Within One Year	2,216,211	8,065,318	10,281,529
Due in More Than One Year	66,022,680	146,403,927	212,426,607
Total Liabilities	79,567,975	173,213,390	252,781,365
<b>Deferred Inflow of Resources:</b>			
Pension	3,906,213	1,221,050	5,127,263
Total Deferred Inflow of Resources	3,906,213	1,221,050	5,127,263
<b>Net Position:</b>			
Net Investment in Capital Assets	75,890,314	51,055,961	126,946,275
Restricted for:			
Housing	5,152,482		5,152,482
Special Projects	58		58
Debt Service	9,123,668	6,384,134	15,507,802
Community Development	15,635,635		15,635,635
Asset Forfeiture	269,750		269,750
Public Safety	946,640		946,640
Street and Roads	8,416,209		8,416,209
Landscaping	434,718		434,718
Unrestricted	1,089,034	41,274,763	42,363,797
Total Net Position	\$ 116,958,508	\$ 98,714,858	\$ 215,673,366

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, 2017

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
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 3,260,008	\$ 539,224	\$ -	\$ -	\$ (2,720,784)	\$ -	\$ (2,720,784)
Public Protection	16,549,335	409,253	598,684	24,428	(15,516,970)		(15,516,970)
Community Development	5,045,345	511,977	458,319	328,779	(3,746,270)		(3,746,270)
Public Works	4,374,882	18,855	1,994,564	5,604,562	3,243,099		3,243,099
Parks and Recreation	4,353,867	186,582	24,120	5,050	(4,138,115)		(4,138,115)
Interest on Long-Term Liabilities	1,035,446				(1,035,446)		(1,035,446)
Total Governmental Activities	<u>34,618,883</u>	<u>1,665,891</u>	<u>3,075,687</u>	<u>5,962,819</u>	<u>(23,914,486)</u>		<u>(23,914,486)</u>
Business-Type Activities:							
Water	8,085,191	8,725,663		-		640,472	640,472
Wastewater	7,744,111	9,775,034		-		2,030,923	2,030,923
Hospital	143,495,890	131,014,558	283,995			(12,197,337)	(12,197,337)
Solid Waste	1,855,107	1,862,447				7,340	7,340
Total Business-Type Activities	<u>161,180,299</u>	<u>151,377,702</u>	<u>283,995</u>	<u>-</u>		<u>(9,518,602)</u>	<u>(9,518,602)</u>
Total Primary Government	<u>\$ 195,799,182</u>	<u>\$ 153,043,593</u>	<u>\$ 3,359,682</u>	<u>\$ 5,962,819</u>	<u>(23,914,486)</u>	<u>(9,518,602)</u>	<u>(33,433,088)</u>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					3,274,487		3,274,487
Sales Taxes					12,863,590		12,863,590
Transient Occupancy Taxes					1,667,455		1,667,455
Franchise Taxes					282,975		282,975
Other Taxes					421,537		421,537
Motor Vehicle in Lieu, unrestricted					4,095,796		4,095,796
Investment Earnings					202,181	560,592	762,773
Miscellaneous Revenue					101,315	96,683	197,998
Total General Revenues					<u>22,909,336</u>	<u>657,275</u>	<u>23,566,611</u>
Change in Net Position					<u>(1,005,150)</u>	<u>(8,861,327)</u>	<u>(9,866,477)</u>
Net Position - Beginning of Fiscal Year					117,963,658	107,049,041	225,012,699
Prior Period Adjustments						527,144	527,144
Net Position - Beginning of Fiscal Year (restated)					<u>117,963,658</u>	<u>107,576,185</u>	<u>225,539,843</u>
Net Position - End of Fiscal Year					<u>\$ 116,958,508</u>	<u>\$ 98,714,858</u>	<u>\$ 215,673,366</u>

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

**CITY OF EL CENTRO**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Investments	\$ 15,754,082	\$ 28,911,311	\$ 44,665,393
Receivables (Net of Allowances for Uncollectible):			
Accounts	250,796		250,796
Taxes	2,987,672	5,287	2,992,959
Interest	19,325	36,268	55,593
Grants		1,772,933	1,772,933
Notes		17,293,980	17,293,980
Other	562,761	395,735	958,496
Due from Other Funds	2,024,050		2,024,050
Restricted Assets:			
Cash and Investments with Fiscal Agent		21,068,749	21,068,749
Other Assets:			
Land Held for Resale		59,089	59,089
Total Assets	\$ 21,598,686	\$ 69,543,352	\$ 91,142,038
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 871,356	\$ 1,411,264	\$ 2,282,620
Salaries/Benefits Payable	668,346	2,295	670,641
Unearned Revenue	816,710		816,710
Deposits	1,000,998	5,889,618	6,890,616
Due to Other Funds		1,805,919	1,805,919
Total Liabilities	3,357,410	9,109,096	12,466,506
<b>Fund Balances:</b>			
Nonspendable		6,736,080	6,736,080
Restricted		52,036,499	52,036,499
Committed		1,675,327	1,675,327
Assigned	4,675,830		4,675,830
Unassigned	13,565,446	(13,650)	13,551,796
Total Fund Balances	18,241,276	60,434,256	78,675,532
Total Liabilities and Fund Balances	\$ 21,598,686	\$ 69,543,352	\$ 91,142,038

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, 2017

<b>Total fund balances - governmental funds</b>		\$ 78,675,532
<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	\$ 198,887,858	
Accumulated depreciation	<u>(116,694,074)</u>	82,193,784
<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 were not reported 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>		
		1,016,039
<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)	\$ (10,380,358)	
Revenue bonds (net of original issue discount)	(6,681,483)	
Lease revenue bonds (net of original issue discount)	(11,338,861)	
Net pension liability	(37,380,606)	
Other post-employment benefits	3,908,799	
Compensated absences payable	<u>(2,184,218)</u>	(64,056,727)
<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		11,914,065
Deferred outflow		3,951,269
Deferred inflow		(3,848,831)
<p>Accrued interest payable from the current portion of interest due on long-term debt has not been reported in the governmental funds.</p>		
		(289,525)
<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>7,341,404</u>
<b>Total net position - governmental activities</b>		<u><u>\$ 116,958,508</u></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, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 18,475,499	\$ 34,545	\$ 18,510,044
Licenses and Permits	270,740		270,740
Intergovernmental	5,465,535	6,458,673	11,924,208
Charges for Services	665,156	205,042	870,198
Fines and Forfeitures	91,105	16,761	107,866
Interest	118,339	580,391	698,730
Other	1,165,245	300,185	1,465,430
Total Revenues	<u>26,251,619</u>	<u>7,595,597</u>	<u>33,847,216</u>
<b>Expenditures</b>			
Current			
General Government	3,280,437		3,280,437
Public Safety	15,967,456	306,856	16,274,312
Public Works	1,265,255	150,444	1,415,699
Parks and Recreation	3,164,069	38,863	3,202,932
Community Development	1,774,100	412,584	2,186,684
Capital Outlay	917,627	4,791,956	5,709,583
Debt Service			
Principal		1,209,033	1,209,033
Interest and Fiscal Charges		1,142,316	1,142,316
Total Expenditures	<u>26,368,944</u>	<u>8,052,052</u>	<u>34,420,996</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(117,325)</u>	<u>(456,455)</u>	<u>(573,780)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	855,140	1,532,192	2,387,332
Transfers Out	(65,000)	(2,322,332)	(2,387,332)
Total Other Financing Sources (Uses)	<u>790,140</u>	<u>(790,140)</u>	
Net Changes in Fund Balances	672,815	(1,246,595)	(573,780)
<b>Fund Balances - Beginning of Fiscal Year</b>	<u>17,568,461</u>	<u>61,680,851</u>	<u>79,249,312</u>
<b>Fund Balances - End of Fiscal Year</b>	<u>\$ 18,241,276</u>	<u>\$ 60,434,256</u>	<u>\$ 78,675,532</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, 2017

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

**Net change in fund balance-total governmental funds** \$ (573,780)

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.

Capital outlay	\$	5,468,455	
Depreciation expense		<u>(9,647,810)</u>	(4,179,355)

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. (301,606)

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.

Current year amortization of premium for advances from Successor Agency	\$	115,989	
Revenue bonds (net of original issue discount)		753,182	
Lease revenue bonds (net of original issue discount)		373,109	
Capital lease		<u>59,033</u>	1,301,313

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. 203,972

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: 2,659,484

Accrued interest is interest due on long-term debt payable. This is the net change in accrued interest for the current period. 14,590

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. (129,768)

**Change in net position of governmental activities** \$ (1,005,150)



**CITY OF EL CENTRO**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2017

	Business-type Activities-Enterprise Funds					Governmental Activities
	Water Fund	Wastewater Fund	Hospital Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets and Deferred Outflow of Resources</b>						
<b>Current Assets:</b>						
Cash and Investments	\$ 17,156,737	\$ 14,181,022	\$ 30,274,546	\$ 272,552	\$ 61,884,857	\$ 7,973,087
Cash and Investments with Fiscal Agent	5,382,910	15,661,107			21,044,017	
Receivables (Net of Allowances for Uncollectibles)						
Accounts	1,527,598	1,619,104	14,826,380	597,878	18,570,960	147,256
Notes	111,834				111,834	
Other	19,319	(520)	363,429		382,228	
Interest	13,053	20,813		543	34,409	10,045
Due from Third-Party Payors			1,789,319		1,789,319	
Inventories			1,782,881		1,782,881	
Prepaid Expenses			1,936,562		1,936,562	
<b>Total Current Assets</b>	<u>24,211,451</u>	<u>31,481,526</u>	<u>50,973,117</u>	<u>870,973</u>	<u>107,537,067</u>	<u>8,130,388</u>
<b>Noncurrent Assets:</b>						
Investment in Joint Venture			561,388		561,388	
<b>Restricted Assets:</b>						
Cash and Investments			12,675,800		12,675,800	
<b>Capital Assets:</b>						
Land	181,547	78,560	1,516,140		1,776,247	
Buildings	920,335	835,015	87,001,398		88,756,748	
Improvements other than Buildings	70,260,142	56,181,184			126,441,326	
Machinery and Equipment	3,255,150	1,014,127	52,375,553		56,644,830	
Furniture and Fixtures	33,740	22,221			55,961	
Vehicles	1,167,942	1,003,755			2,171,697	
Construction in Progress	1,499,592	2,424,663	17,276,758		21,201,013	
Less:						
Accumulated Depreciation	(45,042,241)	(41,338,466)	(75,957,006)		(162,337,713)	
Goodwill			3,370,409		3,370,409	
<b>Total Noncurrent Assets</b>	<u>32,276,207</u>	<u>20,221,059</u>	<u>98,820,440</u>		<u>151,317,706</u>	
<b>Total Assets</b>	<u>56,487,658</u>	<u>51,702,585</u>	<u>149,793,557</u>	<u>870,973</u>	<u>258,854,773</u>	<u>8,130,388</u>
<b>Deferred Outflow of Resources:</b>						
Deferred loss on debt refunding	2,130,270	2,092,510			4,222,780	
Pension	923,176	1,140,400	8,226,300		10,289,876	129,489
<b>Total Deferred Outflow of Resources</b>	<u>3,053,446</u>	<u>3,232,910</u>	<u>8,226,300</u>		<u>14,512,656</u>	<u>129,489</u>
<b>Liabilities and Deferred Inflow of Resources</b>						
<b>Current Liabilities:</b>						
Accounts Payable	177,341	346,625	10,011,635	265,472	10,801,073	432,930
Salaries/Benefits Payable	61,003	74,434	7,026,758		7,162,195	7,540
Interest Payable	311,283	280,900			592,183	
Customer Deposits	95,392			72,000	167,392	
Due to Other Funds				218,131	218,131	
Unearned Revenue	19,054	2,248			21,302	147,256
Compensated Absences	93,147	105,487			198,634	
Current Portion of Long-term Obligations	1,174,961	1,360,188	5,331,535		7,866,684	
<b>Total Current Liabilities</b>	<u>1,932,181</u>	<u>2,169,882</u>	<u>22,369,928</u>	<u>555,603</u>	<u>27,027,594</u>	<u>587,726</u>
<b>Noncurrent Liabilities:</b>						
Compensated Absences	119,052	170,384			289,436	
Net Pension Liability	1,948,922	2,407,505	38,946,200		43,302,627	273,365
Long-term Debt	31,725,455	27,439,902	43,646,507		102,811,864	
<b>Total Noncurrent Liabilities</b>	<u>33,793,429</u>	<u>30,017,791</u>	<u>82,592,707</u>		<u>146,403,927</u>	<u>273,365</u>
<b>Total Liabilities</b>	<u>35,725,610</u>	<u>32,187,673</u>	<u>104,962,635</u>	<u>555,603</u>	<u>173,431,521</u>	<u>861,091</u>
<b>Deferred Inflow of Resources:</b>						
Pension	409,095	505,355	306,600		1,221,050	57,382
<b>Total Deferred Inflow of Resources</b>	<u>409,095</u>	<u>505,355</u>	<u>306,600</u>		<u>1,221,050</u>	<u>57,382</u>
<b>Net Position</b>						
Net Investment in Capital Assets	(624,209)	7,082,076	44,598,094		51,055,961	
Restricted For:						
Debt Service	5,071,627		1,312,507		6,384,134	
Unrestricted	18,958,981	15,160,391	6,840,021	315,370	41,274,763	7,341,404
<b>Total Net Position</b>	<u>\$ 23,406,399</u>	<u>\$ 22,242,467</u>	<u>\$ 52,750,622</u>	<u>\$ 315,370</u>	<u>\$ 98,714,858</u>	<u>\$ 7,341,404</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, 2017

	Business-type Activities - Enterprise funds				Governmental	
	Water Fund	Wastewater Fund	Hospital Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating Revenues:</b>						
Charges for Services	\$ 8,511,628	\$ 9,771,923	\$ 124,261,913	\$ 1,862,447	\$ 144,407,911	\$ 5,240,012
Other Revenues	214,035	3,111	6,752,645		6,969,791	379,419
Total Operating Revenues	<u>8,725,663</u>	<u>9,775,034</u>	<u>131,014,558</u>	<u>1,862,447</u>	<u>151,377,702</u>	<u>5,619,431</u>
<b>Operating Expenses:</b>						
Personnel Services	1,868,611	2,171,369	65,279,719		69,319,699	736,224
Contractual Services						
Supplies and Services	1,636,892	1,705,047	70,746,721	1,671,055	75,759,715	5,081,098
General and Administrative	1,077,852	1,136,336		184,052	2,398,240	
Depreciation	2,249,358	1,616,802	6,547,557		10,413,717	
Total Operating Expenses	<u>6,832,713</u>	<u>6,629,554</u>	<u>142,573,997</u>	<u>1,855,107</u>	<u>157,891,371</u>	<u>5,817,322</u>
Operating Income (Loss)	<u>1,892,950</u>	<u>3,145,480</u>	<u>(11,559,439)</u>	<u>7,340</u>	<u>(6,513,669)</u>	<u>(197,891)</u>
<b>Non-Operating Revenues (Expenses):</b>						
Interest Revenue	161,422	144,393	250,995	3,782	560,592	68,123
Interest Expense	(1,252,478)	(1,114,557)	(921,893)		(3,288,928)	
Grant Revenue			283,995		283,995	
Other Non-Operating Expense			96,683		96,683	
Total Non-Operating Revenue (Expenses)	<u>(1,091,056)</u>	<u>(970,164)</u>	<u>(290,220)</u>	<u>3,782</u>	<u>(2,347,658)</u>	<u>68,123</u>
<b>Change in Net Position</b>	<u>801,894</u>	<u>2,175,316</u>	<u>(11,849,659)</u>	<u>11,122</u>	<u>(8,861,327)</u>	<u>(129,768)</u>
Net Position - Beginning of Fiscal Year	22,370,861	19,773,651	64,600,281	304,248	107,049,041	7,471,172
Prior Period Adjustments	233,644	293,500			527,144	
Net Position - Beginning of Fiscal Year, Restated	<u>22,604,505</u>	<u>20,067,151</u>	<u>64,600,281</u>	<u>304,248</u>	<u>107,576,185</u>	<u>7,471,172</u>
Net Position - End of Fiscal Year	<u>\$ 23,406,399</u>	<u>\$ 22,242,467</u>	<u>\$ 52,750,622</u>	<u>\$ 315,370</u>	<u>\$ 98,714,858</u>	<u>\$ 7,341,404</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, 2017

	Business-type Activities - Enterprise Funds				Governmental
	Water	Wastewater	Hospital	Nonmajor Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Patients and Third Parties on Behalf of Patients	\$ -	\$ -	\$ 131,271,213	\$ -	\$ 131,271,213
Cash Received from Operations, other than Patient Services			7,020,536		7,020,536
Cash Received from Users	8,745,604	9,911,850		1,562,950	20,220,404
Cash Payments to Suppliers and Contractors	(1,621,973)	(1,513,601)	(68,893,945)	(1,818,597)	(73,848,116)
Cash Payments for General and Administrative Expenses	(1,077,852)	(1,136,336)		(184,052)	(2,398,240)
Cash Payments for Employees and Benefit Programs	(1,919,437)	(2,205,706)	(65,152,156)		(69,277,299)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>4,126,342</b>	<b>5,056,207</b>	<b>4,245,648</b>	<b>(439,699)</b>	<b>12,988,498</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash Receipts for Interfund Borrowing				17,566	17,566
Grants			283,995		283,995
Note Receivable	11,080				11,080
Other Receivable	(17,864)	1,040	105,783		88,959
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>(6,784)</b>	<b>1,040</b>	<b>389,778</b>	<b>17,566</b>	<b>401,600</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Received	161,422	144,393	403,372	3,782	712,969
Proceeds from Sales and Maturities of Investments			7,010,206		7,010,206
<b>Net Cash Provided (Used) in Investing Activities</b>	<b>161,422</b>	<b>144,393</b>	<b>7,413,578</b>	<b>3,782</b>	<b>7,723,175</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal Payments on Debt Borrowings	(1,021,474)	(1,224,007)	(5,189,918)		(7,435,399)
Interest Paid	(1,266,537)	(1,111,789)	(1,465,289)		(3,843,615)
Acquisition of Property, Plant, and Equipment	(1,560,088)	(2,156,821)	(10,294,155)		(14,011,064)
<b>Net Cash Provided (Used) In Capital and Related Financing Activities</b>	<b>(3,848,099)</b>	<b>(4,492,617)</b>	<b>(16,949,362)</b>		<b>(25,290,078)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>432,881</b>	<b>709,023</b>	<b>(4,900,358)</b>	<b>(418,351)</b>	<b>153,840</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR</b>	<b>22,106,766</b>	<b>29,133,106</b>	<b>22,739,558</b>	<b>690,903</b>	<b>74,670,333</b>
<b>CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR</b>	<b>\$ 22,539,647</b>	<b>\$ 29,842,129</b>	<b>\$ 17,839,200</b>	<b>\$ 272,552</b>	<b>\$ 70,493,528</b>
<b>Noncash Transactions:</b>					
Amortization	\$ (9,166)	\$ 11,184	\$ -	\$ -	\$ 2,018
<b>Reconciliation to Statement of Net Position:</b>					
Cash and Investments	\$ 17,156,737	\$ 14,181,022	\$ 30,274,546	\$ 272,552	\$ 61,884,857
Restricted Cash and Investments with Fiscal Agents	5,382,910	15,661,107	12,675,800		33,719,817
Less investments not meeting definition of cash equivalents	(22,539,647)	(29,842,129)	(17,839,200)	(272,552)	(70,493,528)
	<b>\$ 22,539,647</b>	<b>\$ 29,842,129</b>	<b>\$ 17,839,200</b>	<b>\$ 272,552</b>	<b>\$ 70,493,528</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	\$ 1,892,950	\$ 3,145,480	\$ (11,559,439)	\$ 7,340	\$ (6,513,669)
<b>Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation and Amortization	2,249,358	1,616,802	6,547,557		10,413,717
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	17,036	138,757	1,189,963	(299,497)	1,046,259
(Increase) Decrease in Inventories, Prepaid Expenses, Other Receivables, and Other Assets			3,484		3,484
(Increase) Decrease in Notes Receivable			116,338		116,338
(Increase) Decrease in Estimated Third Party Payor Settlements			6,087,228		6,087,228
Increase (Decrease) in Accounts Payable and Accrued Liabilities	14,919	191,446	1,732,954	(117,512)	1,791,777
Increase (Decrease) in Salary/Benefits Payable	1,323	5,492	(1,925,759)		(1,918,944)
Increase (Decrease) in Deposit Payable	(1,136)				(1,136)
Increase (Decrease) in Unearned Revenue	4,041	(1,941)			2,100
Increase (Decrease) in Net Pension Liability	(43,945)	(54,285)	2,053,322		1,955,092
Increase (Decrease) in Compensated Absences	(8,204)	14,456			6,252
<b>Total Adjustments</b>	<b>2,233,392</b>	<b>1,910,727</b>	<b>15,805,087</b>	<b>(447,039)</b>	<b>19,502,167</b>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 4,126,342</b>	<b>\$ 5,056,207</b>	<b>\$ 4,245,648</b>	<b>\$ (439,699)</b>	<b>\$ 12,988,498</b>

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, 2017

	Private-Purpose Trust Funds	Agency Fund Legacy Ranch CFD
<b>Assets:</b>		
Cash and Investments	\$ 2,483,403	\$ 72,791
Cash and Investments with Fiscal Agent	5,633,555	140,902
Taxes Receivable		32,210
Interest Receivable	342	92
Notes Receivable	69,498	
Other Receivable	1,295	
Advances to City of El Centro	9,413,455	
Discount for advances to City of El Centro	966,903	
Capital Assets, Not Being Depreciated	7,087,620	
Capital Assets, Net of Accumulated Depreciation	13,366,467	
Total Assets	39,022,538	\$ 245,995
<b>Liabilities:</b>		
Accounts Payable	52,608	\$ -
Salaries/Benefits Payable	2,850	
Interest Payable	290,121	
Deposits Payable		6,808
Due to Bondholders		239,187
Noncurrent Liabilities:		
Due within One Year	1,579,915	
Due in More than One Year	31,343,435	
Total Liabilities	33,268,929	\$ 245,995
<b>Net Position:</b>		
Unrestricted	5,753,609	
Total Net Position	\$ 5,753,609	

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, 2017

	Private-Purpose Trust Funds
<b>Additions:</b>	
Investment Revenue	\$ 33,375
Intergovernmental	2,730,412
Property Taxes	3,116,743
Total Additions	5,880,530
 <b>Deductions:</b>	
Administration	2,440,992
Community Development	131,975
Depreciation	571,104
Interest Expense	1,786,225
Total Deductions	4,930,296
 Excess (Deficiency) of Revenues Over (Under) Expenditures	950,234
 <b>Other Financing Sources (uses):</b>	
Contribution to other governments	(759)
Total Other Financing Sources (Uses)	(759)
 Change in Net Position	949,475
 Net Position, Beginning of Fiscal Year	4,306,985
 Prior Period Adjustments	497,149
 Net Position, Beginning of Fiscal Year, Restated	4,804,134
 Net Position, End of Fiscal Year	\$ 5,753,609

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, 2017**

**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, 2017

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, 2017

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 considered 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, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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.

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.

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

**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 in Proprietary funds are valued at cost using the first-in/first-out (FIFO) method. The cost 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, 2017

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 are 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 \$46,280,624 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, 2017**

**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 acquisition 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, 2017**

**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, 2017, 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 31<sup>st</sup> using a present value technique (discounted cash flow). The Hospital's management determined that there was no impairment of goodwill as of June 30, 2017.

**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 deferred outflows from deferred gain/loss on debt refundings.

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 recognizes deferred inflow and outflows of resources pursuant to GASB Statements 68 and 71. The City also recognizes unavailable revenue, which 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, 2017**

**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, 2017

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.

**F. New Accounting Pronouncements**

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended June 30, 2017:

*Governmental Accounting Standards Board Statement No. 74*

GASB has issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension" which was effective for fiscal years beginning after June 15, 2016. This statement had no material impact upon the City's financial statements for the fiscal year ended June 30, 2017.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. New Accounting Pronouncements (Continued)**

Governmental Accounting Standards Board Statement No. 77

GASB has issued Statement No. 77, "Tax Abatement Disclosures" which was effective for fiscal years beginning after December 15, 2015. This statement had no material impact upon the City's financial statements for the fiscal year ended June 30, 2017.

Governmental Accounting Standards Board Statement No. 78

GASB has issued Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plan" which was effective for fiscal years beginning after December 15, 2015. This statement had no material impact upon the City's financial statements for the fiscal year ended June 30, 2017.

Governmental Accounting Standards Board Statement No. 80

GASB has issued Statement No. 80, "Blending Requirements for Certain Component Units –an amendment of GASB Statement No. 14" which was effective for reporting periods beginning after June 30, 2016. This statement had no material impact upon the City's financial statements for the fiscal year ended June 30, 2017.

**G. Future Accounting Pronouncements**

GASB Statements listed below will be implemented in future financial statements.

Statement No. 75	" Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Spilt-Interest Agreements"	The provision of this statement is effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provision of this statement is effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provision of this statement is effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provision of this statement is effective for fiscal years beginning after December 15, 2019.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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 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, 2017, expenditures exceeded appropriations in the following funds:

Fund	Final Appropriation	Expenditures	Excess
Nonmajor Fund:			
Home Program Special Revenue Fund	\$ 6,000	\$ 7,364	\$ 1,364
Special Events Special Revenue Fund	20,000	38,444	18,444
EDA Revolving Special Revenue Fund	300	39,983	39,683
Police Grant Special Revenue Fund	102,393	129,200	26,807
Drainage Facility Capital Projects Fund	100,000	102,752	2,752
Bride/Road Improvement Capital Projects Fund		420,000	420,000

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

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

**D. Deficit Fund Equity**

At June 30, 2017, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Special Revenue Funds:</u>	
2010 Earthquake Fund	\$ 13,135

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, 2017 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 114,523,337
Restricted Cash and investments with fiscal agents	42,112,766
Fiduciary funds:	
Cash and investments	2,556,194
Cash and investments with fiscal agents	5,774,457
Total cash and investments	\$ 177,642,554

Cash and investments as of June 30, 2017 consist of the following:

Cash on hand	\$ 4,995
Deposits with financial institutions	24,126,280
Investments	153,511,279
Total cash and investments	\$ 177,642,554

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**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	\$65 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, 2017

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, 2017**

**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)	\$ 11,727,000	\$ 11,727,000	\$ -	\$ -	\$ -
Mutual Funds - Cal Trust	52,005,068	52,005,068			
U.S. Treasury Notes	9,517,012		4,777,345		4,739,667
Federal Agency Securities	8,200,000	1,250,000	2,200,000	3,750,000	1,000,000
Money Market Funds	14,227,781	14,227,781			
Medium Term Notes	2,866,055	2,866,055			
Certificates of Deposit	7,081,140	2,926,140	1,220,000	2,935,000	
Held by Bond Trustees:					
Money Market Deposits	38,549,035	38,549,035			
Local Agency Bonds	6,780,000	775,000	795,000	252,000	2,690,000
Repurchase Agreements	2,558,188				2,558,188
<b>Totals</b>	<b>\$ 153,511,279</b>	<b>\$ 124,326,079</b>	<b>\$ 8,992,345</b>	<b>\$ 9,205,000</b>	<b>\$ 10,987,855</b>

**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.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool (LAIF)	\$ 11,727,000	N/A	\$ -	\$ -	\$ -	\$ -	\$ 11,727,000
Mutual Funds - Cal Trust	52,005,068	N/A					52,005,068
U.S. Treasury Notes	9,517,012	N/A	9,517,012				
Federal Agency Securities	8,200,000	N/A		8,200,000			
Money Market Funds	14,227,781	N/A					14,227,781
Medium Term Notes	2,866,055	A				2,866,055	
Certificates of Deposit *	7,081,140	N/A					7,081,140
Held by Bond Trustee:							
Money Market Deposits	38,549,035	Aam		38,549,035			
Local Agency Bonds	6,780,000	N/A					6,780,000
Repurchase Agreements	2,558,188	N/A					2,558,188
<b>Total</b>	<b>\$ 153,511,279</b>		<b>\$ 9,517,012</b>	<b>\$ 46,749,035</b>	<b>\$ -</b>	<b>\$ 2,866,055</b>	<b>\$ 94,379,177</b>

\* Covered by FDIC Insurance up to \$250,000 per institution.

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

NOTE 3 – CASH AND INVESTMENTS (Continued)

**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	\$ 6,780,000

**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.

As of June 30, 2017, \$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, 2017, 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	\$ 52,005,068
U.S. Treasury Notes	9,517,012
Federal Agency Securities	8,200,000
Medium Term Notes	2,866,055
Certificates of Deposit	7,081,140
Money Market Funds	52,776,816
Repurchase Agreements	2,558,188



**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**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.

**H. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy establish by accounting principles generally accepted in the United States of America. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City has marketable securities that are measured with recurring fair value measurements as of June 30, 2017 and are valued using quoted market prices (level 1 inputs).

**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, 2017:

	Receivable	Allowance	Net
<b>Governmental Activities</b>			
Accounts	\$ 250,796	\$ -	\$ 250,796
Taxes	2,992,959		2,992,959
Interest	1,081,677		1,081,677
Grants	1,772,933		1,772,933
Others	958,496		958,496
 Total Governmental Activities	 \$ 7,056,861	 \$ -	 \$ 7,056,861

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 4 – RECEIVABLES (Continued)**

**A. Receivables**

The following is a schedule of receivables at June 30, 2017 (Continued)

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Business-type Activities</b>			
Accounts	\$ 23,360,030	\$ 4,789,070	\$ 18,570,960
Interest	34,409		34,409
Others	<u>382,228</u>		<u>382,228</u>
Total Business-type Activities	<u>\$ 23,776,667</u>	<u>\$ 4,789,070</u>	<u>\$ 18,987,597</u>
<b>Fiduciary Funds</b>			
Taxes	\$ 32,210	\$ -	\$ 32,210
Interest	434		434
Others	<u>1,295</u>		<u>1,295</u>
Total Fiduciary Funds	<u>\$ 33,939</u>	<u>\$ -</u>	<u>\$ 33,939</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, 2017 is \$17,293,980.

The Hospital notes receivable consisted 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. These have been paid off or forgiven as of June 30, 2017.

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, 2017 for the Water Fund is \$111,834.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund:		Nonmajor Special Revenue Funds:	
General	\$ 2,024,050	2010 Earthquake	\$ 13,135
		IID Projects	476
		Gas Tax	129,746
Totals	<u>\$ 2,024,050</u>	Development Impact Fees	309,512
		Federal Highway	
		Administration	1,353,050
		Nonmajor Proprietary Fund:	
		Solid Waste	<u>218,131</u>
		Totals	<u>\$ 2,024,050</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 Allocation 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, 2017, the outstanding balance for the premium of advances was \$966,903. 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, 2017**

**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, 2017:

Fund	Transfers-in	Transfers-out
Major Fund:		
General	\$ 855,140	\$ 65,000
Nonmajor Governmental Funds:		
Gas Tax		793,169
CDBG		114,839
Library Assistance		30,731
Special Events	65,000	
Asset Forfeiture		62,366
Local Transportation Authority		1,312,228
CDBG Program Income	114,839	
Cooperative Agreement		8,999
2011C Bonds City	327	
Financing Authority	432	
LTA Lease Revenue Bonds Debt Service	1,351,594	
	<u>\$ 2,387,332</u>	<u>\$ 2,387,332</u>
Totals		

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6 – CAPITAL ASSETS**

Capital Asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance at July 1, 2016	Additions	Deletions	Transfers	Balance at June 30, 2017
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,254,889	\$ 91,333	\$ -	\$ -	\$ 2,346,222
Construction in progress	3,565,443	3,641,071		(2,925,818)	4,280,696
Total capital assets, not being depreciated	<u>5,820,332</u>	<u>3,732,404</u>		<u>(2,925,818)</u>	<u>6,626,918</u>
Capital assets, being depreciated:					
Infrastructure	79,530,204				79,530,204
Structures and improvements	87,471,760	1,515,512		2,925,818	91,913,090
Vehicles	7,738,241	29,008			7,767,249
Furniture, equipment, and books	12,858,866	191,531			13,050,397
Total capital assets being depreciated	<u>187,599,071</u>	<u>1,736,051</u>		<u>2,925,818</u>	<u>192,260,940</u>
Less accumulated depreciation for:					
Infrastructure	(53,342,001)	(2,450,920)			(55,792,921)
Structures and improvements	(36,588,471)	(6,258,153)			(42,846,624)
Vehicles	(6,066,933)	(536,854)			(6,603,787)
Furniture, equipment, and books	(11,048,859)	(401,883)			(11,450,742)
Total accumulated depreciation	<u>(107,046,264)</u>	<u>(9,647,810)</u>			<u>(116,694,074)</u>
Total capital assets, being depreciated net	<u>80,552,807</u>	<u>(7,911,759)</u>		<u>2,925,818</u>	<u>75,566,866</u>
Governmental activities capital assets, net	<u>\$ 86,373,139</u>	<u>\$ (4,179,355)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,193,784</u>
<b>Business-type activities (including Hospital Fund):</b>					
Capital assets, not being depreciated:					
Land and land improvements	\$ 1,748,502	\$ 27,745	\$ -	\$ -	\$ 1,776,247
Construction in progress	20,632,572	14,055,013		(13,486,572)	21,201,013
Total capital assets, not being depreciated	<u>22,381,074</u>	<u>14,082,758</u>		<u>(13,486,572)</u>	<u>22,977,260</u>
Capital assets, being depreciated:					
Structures and improvements	201,948,121			13,249,953	215,198,074
Vehicles	2,091,487	80,210			2,171,697
Equipment	55,028,913	2,212,133	(666,475)	126,220	56,700,791
Total capital assets, being depreciated	<u>259,068,521</u>	<u>2,292,343</u>	<u>(666,475)</u>	<u>13,376,173</u>	<u>274,070,562</u>
Less accumulated depreciation for:					
Structures and improvements	(111,625,875)	(7,815,682)		110,399	(119,331,158)
Vehicles	(1,639,152)	(75,812)			(1,714,964)
Equipment	(39,426,723)	(2,522,223)	657,355		(41,291,591)
Total accumulated depreciation	<u>(152,691,750)</u>	<u>(10,413,717)</u>	<u>657,355</u>	<u>110,399</u>	<u>(162,337,713)</u>
Total capital assets, being depreciated net	<u>106,376,771</u>	<u>(8,121,374)</u>	<u>(9,120)</u>	<u>13,486,572</u>	<u>111,732,849</u>
Business-type activities capital assets, net	<u>\$ 128,757,845</u>	<u>\$ 5,961,384</u>	<u>\$ (9,120)</u>	<u>\$ -</u>	<u>\$ 134,710,109</u>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6 – CAPITAL ASSETS (Continued)**

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 285,229
Public Safety	1,682,684
Public Works	3,043,560
Community Development	3,174,225
Parks and Recreation	<u>1,462,112</u>
Total depreciation expense - governmental activities	<u>\$ 9,647,810</u>

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

Water	\$ 2,249,358
Wastewater	1,616,802
Hospital	<u>6,547,557</u>
Total depreciation expense - business-type activities	<u>\$ 10,413,717</u>

**NOTE 7 – COMMITMENTS**

**A. Construction Contracts**

As of June 30, 2017, the Hospital has projects in progress to construct, improve, and equip various routine, ancillary, and support services. Total expenditures for the years ended June 30, 2017 and 2016 related to construction in progress were approximately \$10,527,605 and \$14,577,822, respectively. At June 30, 2017, the remaining commitments of the Medical Center for future payments on these projects are estimated at approximately \$10,380,000.

**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 \$1,597,536 in the fiscal year ended June 30, 2017.

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>
2018	<u>\$ 567,288</u>
Total minimum lease payments	<u>\$ 567,288</u>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017:

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 2,184,218	\$ 958,471	\$ (958,471)	\$ 2,184,218	\$ 928,931
Advances from Successor Agency (see note 5)	9,413,455			9,413,455	
Unamortized premiums (see note 5)	1,082,892		(115,989)	966,903	115,989
Other post-employment benefits (see note 14)	(3,704,827)	(303,682)	99,710	(3,908,799) *	
Lease revenue bonds	11,890,000		(385,000)	11,505,000	420,000
Unamortized discount	(178,030)		11,891	(166,139)	(11,891)
Revenue bonds	7,545,000		(765,000)	6,780,000	775,000
Unamortized discount	(110,335)		11,818	(98,517)	(11,818)
Net pension liability	30,455,404	10,620,998	(3,422,431)	37,653,971	
Capital lease payable	59,033		(59,033)		
<b>Total</b>	<b>\$ 58,636,810</b>	<b>\$ 11,275,787</b>	<b>\$ (5,582,505)</b>	<b>\$ 64,330,092</b>	<b>\$ 2,216,211</b>

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

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017	Due Within One Year
<b>Business-type Activities:</b>					
<b>Water Fund:</b>					
Compensated absences	\$ 220,403	\$ 103,876	\$ (112,080)	\$ 212,199	\$ 93,147
Revenue bonds	31,065,000		(935,000)	30,130,000	960,000
Unamortized premium	2,423,435		(125,893)	2,297,542	125,893
Installment sale	559,348		(86,474)	472,874	89,068
Net pension liability	1,357,402	510,006	81,514	1,948,922	
<b>Sewer Fund:</b>					
Compensated absences	261,415	115,257	(100,801)	275,871	105,487
Revenue bonds	19,930,000		(535,000)	19,395,000	550,000
Unamortized premium	1,991,879		(103,474)	1,888,405	103,474
Revenue refunding bonds (2012A)	6,495,000		(460,000)	6,035,000	475,000
Unamortized discount	(48,233)		4,164	(44,069)	(4,164)
Installment sale	1,754,761		(229,007)	1,525,754	235,878
Net pension liability	1,676,799	487,254	243,452	2,407,505	
<b>Hospital Fund:</b>					
Capital leases	6,962,960		(2,224,918)	4,738,042	2,271,535
Hospital revenue bonds	47,205,000		(2,965,000)	44,240,000	3,060,000
Net pension liability	34,112,378	9,429,422	(4,595,600)	38,946,200	
<b>Total</b>	<b>\$ 155,967,547</b>	<b>\$ 10,645,815</b>	<b>\$ (12,144,117)</b>	<b>\$ 154,469,245</b>	<b>\$ 8,065,318</b>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 is \$11,338,861, which is net of the \$166,139 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, 2017 is \$6,681,483, which is net of the \$98,517 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 transactions for various equipment in the 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. This lease has been paid off as of June 30, 2017.



**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 (other than compensated absences, advances from successor agency, and other post-employment benefits) are as follows:

Fiscal Year Ended June 30,	2009 Series A Lease Revenue Bonds		
	Principal	Interest	Total
2018	\$ 420,000	\$ 52,290	\$ 472,290
2019	460,000	33,245	493,245
2020	500,000	11,563	511,563
	1,380,000	97,098	1,477,098
Less bond discount	(618)		(618)
	<u>\$ 1,379,382</u>	<u>\$ 97,098</u>	<u>\$ 1,476,480</u>

Fiscal Year Ended June 30,	2009 Series B Lease Revenue Bonds		
	Principal	Interest	Total
2018	\$ -	\$ 835,313	\$ 835,313
2019		835,312	835,312
2020		835,313	835,313
2021	550,000	812,625	1,362,625
2022	605,000	764,982	1,369,982
2023-2027	3,745,000	2,970,206	6,715,206
2028-2032	5,225,000	1,133,343	6,358,343
	10,125,000	8,187,094	18,312,094
Less bond discount	(165,521)		(165,521)
	<u>\$ 9,959,479</u>	<u>\$ 8,187,094</u>	<u>\$ 18,146,573</u>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 (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
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	840,000	255,012	1,095,012
2022	860,000	204,012	1,064,012
2023-2026	2,690,000	355,764	3,045,764
	6,780,000	1,873,224	8,653,224
Less bond discount	(98,517)		(98,517)
	<u>\$ 6,681,483</u>	<u>\$ 1,873,224</u>	<u>\$ 8,554,707</u>

Fiscal Year Ended June 30,	Total Governmental Activities		
	Principal	Interest	Total
2018	\$ 1,195,000	\$ 1,287,965	\$ 2,482,965
2019	1,255,000	1,221,819	2,476,819
2020	1,320,000	1,151,688	2,471,688
2021	1,390,000	1,067,637	2,457,637
2022	1,465,000	968,994	2,433,994
2023-2027	6,435,000	3,325,970	9,760,970
2028-2032	5,225,000	1,133,343	6,358,343
	18,285,000	10,157,416	28,442,416
Less bond discount	(264,656)		(264,656)
	<u>\$ 18,020,344</u>	<u>\$ 10,157,416</u>	<u>\$ 28,177,760</u>

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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. Total pledged revenues for the Wastewater Fund were \$9,169,033 while principal and interest payments for the year totaled \$550,000 and \$191,718 respectively. The principal balance outstanding at June 30, 2017 is \$5,990,931, which is net of the \$44,069 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 Water and Wastewater Revenue Bonds was 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. Total pledged revenues for the Water and Wastewater Funds were \$8,132,998 and \$9,169,033 respectively while principal and interest payments for the year totaled \$1,470,000 and \$2,116,456 respectively. The principal balance outstanding at June 30, 2017 is \$49,488,167, which includes \$4,185,947 of unamortized original bond premium and net of \$4,222,780 of unamortized deferred loss on refunding.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 is \$1,998,628.

**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. Total pledged revenues for the Hospital Fund were \$134,207,517 while principal and interest payments for the year totaled \$2,965,000 and \$1,439,753 respectively. The principal balance outstanding at June 30, 2017 is \$44,240,000.

**H. Business-type Activities – Capital Leases Payable**

**Capital Leases.** During the fiscal year ended June 30, 2016, the Medical Center entered into capital lease facilities totaling approximately \$5,000,000. At June 30, 2016 the remaining dollar amount available for future equipment purchases was approximately \$4,0221,000 and there was \$2,902,000 available for future equipment purchases at June 30, 2017. 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 \$6,099,000 and \$1,958,000, respectively, as of June 30, 2017 and approximately \$4,781,000 and \$482,000, respectively, as of June 30, 2016.

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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 \$1,597,536 and \$1,552,940 for the fiscal years ended June 30, 2017 and 2016, respectively.

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

Fiscal Year Ending June 30,	Principal
2018	\$ 2,351,919
2019	2,171,325
2020	318,320
	4,841,564
Total minimum lease payments	4,841,564
Less amount representing interest	(103,522)
Present value of minimum lease payments	\$ 4,738,042

**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 2016. These notes were 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, 2016. During the fiscal year ended June 30, 2016, the Medical Center paid off the notes payable and there is no outstanding balance as of June 30, 2017.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 (other than compensated absences and net pension liability) are as follows:

Fiscal Year Ended June 30,	2014 Series A Water Revenue Bonds		
	Principal	Interest	Total
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	1,075,000	1,108,506	2,183,506
2022	1,125,000	1,064,506	2,189,506
2023-2027	7,210,000	4,381,669	11,591,669
2028-2032	9,080,000	2,510,978	11,590,978
2033-2036	8,640,000	625,551	9,265,551
	30,130,000	13,259,628	43,389,628
Plus bond premium	2,297,542		2,297,542
	<u>\$ 32,427,542</u>	<u>\$ 13,259,628</u>	<u>\$ 45,687,170</u>

Fiscal Year Ended June 30,	2014 Series A Wastewater Revenue Bonds		
	Principal	Interest	Total
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	610,000	792,300	1,402,300
2022	635,000	767,400	1,402,400
2023-2027	4,525,000	3,248,875	7,773,875
2028-2032	6,010,000	1,921,000	7,931,000
2033-2036	5,915,000	434,050	6,349,050
	19,395,000	9,669,300	29,064,300
Plus bond premium	1,888,405		1,888,405
	<u>\$ 21,283,405</u>	<u>\$ 9,669,300</u>	<u>\$ 30,952,705</u>

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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, 2017 (other than compensated absences and net pension liability) are as follows (Continued):

Fiscal Year Ended June 30,	2012 Series A Wastewater Refunding Bonds		
	Principal	Interest	Total
2018	\$ 475,000	\$ 180,030	\$ 655,030
2019	485,000	168,030	653,030
2020	500,000	168,030	668,030
2021	510,000	143,093	653,093
2022	525,000	128,843	653,843
2023-2027	2,900,000	372,398	3,272,398
2028-2029	640,000	11,600	651,600
	<u>6,035,000</u>	<u>1,172,024</u>	<u>7,207,024</u>
Less bond discount	(44,069)		(44,069)
	<u>\$ 5,990,931</u>	<u>\$ 1,172,024</u>	<u>\$ 7,162,955</u>

Fiscal Year Ended June 30,	2003 Installment Sale - Water		
	Principal	Interest	Total
2018	\$ 89,068	\$ 14,186	\$ 103,254
2019	91,740	11,514	103,254
2020	94,492	8,762	103,254
2021	97,327	5,928	103,255
2022	100,247	3,008	103,255
	<u>\$ 472,874</u>	<u>\$ 43,398</u>	<u>\$ 516,272</u>

Fiscal Year Ended June 30,	2003 Installment Sale - Wastewater		
	Principal	Interest	Total
2018	\$ 235,878	\$ 42,234	\$ 278,112
2019	242,954	35,052	278,006
2020	250,243	27,654	277,897
2021	257,750	20,034	277,784
2022	265,482	12,186	277,668
2023-2024	273,447	4,102	277,549
	<u>\$ 1,525,754</u>	<u>\$ 141,262</u>	<u>\$ 1,667,016</u>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 (other than compensated absences and net pension liability) are as follows (Continued):

Fiscal Year Ended June 30,	Hospital Revenue Bonds, Series 2015		
	Principal	Interest	Total
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	3,345,000	1,060,943	4,405,943
2022	3,445,000	958,920	4,403,920
2023-2027	16,155,000	3,152,663	19,307,663
2028-2032	7,065,000	1,387,598	8,452,598
2033-2035	4,775,000	294,173	5,069,173
	<u>\$ 44,240,000</u>	<u>\$ 10,619,524</u>	<u>\$ 54,859,524</u>

Fiscal Year Ended June 30,	Capital Leases Payable		
	Principal	Interest	Total
2018	\$ 2,271,535	\$ 80,384	\$ 2,351,919
2019	2,151,196	20,129	2,171,325
2020	315,311	3,009	318,320
	<u>\$ 4,738,042</u>	<u>\$ 103,522</u>	<u>\$ 4,841,564</u>



**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017 (other than compensated absences and net pension liability) are as follows (Continued):

Fiscal Year Ended June 30,	Total Business-type Activities		
	Principal	Interest	Total
2018	\$ 7,641,481	\$ 3,745,261	\$ 11,386,742
2019	7,685,890	3,518,696	11,204,586
2020	6,030,046	3,334,377	9,364,423
2021	5,895,077	3,130,804	9,025,881
2022	6,095,729	2,934,863	9,030,592
2023-2027	31,063,447	11,159,707	42,223,154
2028-2032	22,795,000	5,831,176	28,626,176
2033-2036	19,330,000	1,353,774	20,683,774
	<u>106,536,670</u>	<u>35,008,658</u>	<u>141,545,328</u>
Plus bond premium	4,185,947		4,185,947
Less bond discount	(44,069)		(44,069)
	<u>\$ 110,678,548</u>	<u>\$ 35,008,658</u>	<u>\$ 145,687,206</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, 2017

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, 2017

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
2014-15	\$ 91,428	\$ 941,336	\$ (981,688)	\$ 51,076
2015-16	51,076	1,019,395	(951,285)	119,186
2016-17	119,186	960,718	(973,209)	106,695

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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, 2016 through July 1, 2019. 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 2016-2017.

**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, 2017

**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 2016-17 was \$2,210,439 and the amount recorded as liability in 2015-16 was \$2,531,819 which resulted in a net decrease in accrued liabilities between the fiscal years end June 30, 2017 and the fiscal year ended June 30, 2016 of \$321,380.

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 \$30 million. In management's opinion, the Hospital has sufficiently accrued an estimated liability for claims incurred prior to June 30, 2017 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, 2017**

**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, 2017.

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, 2017

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 \$90,163,000 and \$92,371,505, in fiscal years 2017 and 2016, respectively. In fiscal years 2017 and 2016, the Hospital recognized in the statements of revenue, expenses, and changes in net position, an increase of approximately \$969,000 and \$1,376,000, 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, 2017**

**NOTE 12 – NET PATIENT REVENUE (Continued)**

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

	<u>2017</u>	<u>2016</u>
Medicare	\$ 28,152,612	\$ 42,246,568
Medi-Cal	41,934,027	31,671,243
Insurance, third party payors and self pay	<u>20,673,010</u>	<u>23,058,986</u>
Gross patient accounts receivable	90,759,649	96,976,797
Less: Allowances for contractual and bad debt adjustments	<u>(75,933,269)</u>	<u>(81,228,345)</u>
Net patient accounts receivable	<u>\$ 14,826,380</u>	<u>\$ 15,748,452</u>

Significant concentrations of gross patient accounts receivable at June 30, 2017 and 2016 include Medicare, 31% and 35%, respectively, and Medi-Cal, 46% and 42%, respectively.

At June 30, 2017 and 2016, the Medical Center provided allowances for losses on accounts receivable directly from patients totaling \$75,933,269 and \$81,228,345, respectively. Amounts written off to bad debt expense included in net patient service revenue totaled approximately \$8,146,301 and \$8,579,615 for the fiscal years ended June 30, 2017 and 2016, respectively. Allowances for contractual adjustments included in net patient service revenue totaled approximately \$538,880,605 and \$520,167,690 for the fiscal years ended June 30, 2017 and 2016 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, 2017**

**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. These costs are typically liquidated in the General Fund. 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 2016/2017, the City contributed \$210,682 of current premiums and additional prefunding of benefits, and \$93,000 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	\$ 149,000
Interest on net OPEB obligation	(222,290)
Adjustment to annual required contribution	<u>173,000</u>
Annual OPEB cost (expense)	99,710
Contributions made	(210,682)
Implied subsidy	<u>(93,000)</u>
Increase in net OPEB asset	(203,972)
Net OPEB asset - beginning of fiscal year	<u>(3,704,827)</u>
 Net OPEB asset - end of fiscal year	 <u>\$ (3,908,799)</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 2017 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)
6/30/2015	\$ 203,000	153.9%	\$ (3,595,317)
6/30/2016	203,000	153.9%	(3,704,827)
6/30/2017	99,710	304.6%	(3,908,799)

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, 2017

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date for the fiscal year 16/17, the plan was 130% funded. The actuarial accrued liability for benefits was \$6,439,000, and the actuarial value of assets was \$8,397,000, resulting in an unfunded actuarial accrued liability (UAAL) of (\$1,958,000). The covered payroll (annual payroll of active employees covered by the plan) was \$12,894,000, and the ratio of the UAAL to the covered payroll was (15.2%).

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, 2015 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 6.00 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, 2015 was twenty-five years.

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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. Pension liabilities are typically liquidated in the General Fund for governmental activities or in the respective enterprise fund.

*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, 2017

NOTE 15 – PENSION PLAN (Continued)

*A. General Information about the Pension Plan (Continued)*

*Employees Covered* – At June 30, 2017, 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	<u>445</u>	<u>342</u>

*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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
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, 2015 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, 2017

NOTE 15 – PENSION PLAN (Continued)

*B. Net Pension Liability (Continued)*

*Discount Rate* – The discount rate used to measure the total pension liability was 7.65% 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 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.

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, 2017

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	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

*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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
<b>Balance at: 06/30/2015</b>	<b>\$66,256,939</b>	<b>\$56,930,110</b>	<b>\$9,326,829</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	\$1,241,911		\$1,241,911
Interest on Total Pension Liability	4,987,901		4,987,901
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences between Expected and Actual Experience	(178,197)		(178,197)
Plan to Plan Resource Movement		\$0	0
Contributions – Employer		1,099,805	(1,099,805)
Contributions – Employees		658,851	(658,851)
Net Investment Income		263,261	(263,261)
Benefit Payments, including Refunds of Employee Contributions	(2,996,761)	(2,996,761)	0
Administrative Expense		(34,696)	34,696
Other Miscellaneous Income	0	0	0
<b>Net Changes during 2015-16</b>	<b>\$3,054,854</b>	<b>\$(1,009,540)</b>	<b>\$4,064,394</b>
<b>Balance at: 06/30/2016</b>	<b>\$69,311,793</b>	<b>\$55,920,570</b>	<b>\$13,391,223</b>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 15 – PENSION PLAN (Continued)**

*C. Changes in the Net Pension Liability (Continued)*

*Safety plan:*

As of June 30, 2017, 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
<u>\$ 28,619,175</u>

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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016 was as follows:

	Percentage Share of Plan		Change: Increase/ (Decrease)
	6/30/2017	6/30/2016	
■ Measurement Date	6/30/2016	6/30/2015	
■ Percentage of Plan (PERF C) NPL	0.330739%	0.352026%	-0.021287%

*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	6.65%	6.65%
Net Pension Liability	\$ 22,674,659	\$ 41,834,981
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 13,391,223	\$ 28,619,175
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 5,720,617	\$ 17,770,353

*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, 2017

NOTE 15 – PENSION PLAN (Continued)

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

For the fiscal year ended June 30, 2017, the City recognized pension expense of \$4,802,709. At June 30, 2017, 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	\$ 4,980,376	\$ -
Net difference between actual vs proportionate contribution	1,231,107	
Change of assumptions		(1,600,861)
Net difference between actual vs project experiences		(699,438)
Net differences due to changes in proportions	968,654	(555,290)
Net differences between projected and actual earnings on plan investments	10,878,262	(1,965,074)
Total	\$ 18,058,399	\$ (4,820,663)

\$4,980,376 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended	
June 30	
2018	\$ 691,280
2019	1,124,795
2020	4,121,259
2021	2,320,026



CITY OF EL CENTRO  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

**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, 2017, the following employees were covered by the benefit terms:

Inactive employees (or their beneficiaries) currently receiving benefits	257
Inactive employees entitled to but not yet receiving benefits	1,039
Active employees	<u>416</u>
Total	<u>1,712</u>

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, 2017, participants contributed 4.75% of their annual pay and the Medical Center’s average contribution rate was 11.95% 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. Please contact the El Centro Regional Medical Center at 1415 Ross Avenue, El Centro CA, 92243 or (760) 339-7100 for more information regarding this plan.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2016, 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, 2016 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 pension plan expense, including inflation

Mortality rates were based on the 2016 Annuitant and Nonannuitant tables for males and females published by the Internal Revenue Service in Notice 2015-53.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2013.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	- %	(1.5)%
<b>Total</b>	<b>100 %</b>	

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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 4.75% of pay from July 1, 2015 through June 30, 2016, 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

	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balances of June 30, 2016	\$ 88,066,200	\$ 53,953,822	\$ 34,112,378
Changes for the year:			
Service cost incurred	1,241,300	-	1,241,300
Interest on total pension liability	6,525,700	-	6,525,700
Actuarial liability loss(gain)	1,576,800	-	1,576,800
Changes in assumptions	115,800	-	115,800
Benefit payments	(4,219,900)	(4,219,900)	-
Contributions - Employer	-	3,239,400	(3,239,400)
Contributions - Employee	-	1,356,200	(1,356,200)
Net investment income	-	66,800	(66,800)
Administrative expense	-	(36,622)	36,622
Current-year net changes	5,239,700	405,878	4,833,822
Balances as of June 30, 2017	\$ 93,305,900	\$ 54,359,700	\$ 38,946,200

The mortality assumption was changed from the 2016 Annuitant and Nonannuitant table for males and females to the 2016 Annuitant and Nonannuitant table for males and females published by the Internal Revenue Service in Notice 2015-53.

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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:

"The Plan"	2017	2016
1% decrease	6.50 %	6.50 %
Net pension liability	\$ 50,683,800	44,296,600
Current discount rate	7.50 %	7.50 %
Net pension liability	\$ 38,946,200	34,112,378
1% increase	8.50 %	8.50 %
Net pension	\$ 29,403,700	\$ 25,729,400

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

For the fiscal year ended June 30, 2017, the Medical Center recognized pension expense of \$5,401,200. At June 30, 2017, 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 actual and expected experience	\$ 712,300	\$ -
Changes in assumptions	52,300	-
Net differences between projected and actual earnings on plan investments	4,113,800	306,600
Contributions made after the measurement date of June 30, 2016	3,347,900	-
<b>Total</b>	<b>\$ 8,226,300</b>	<b>\$ 306,600</b>

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

Year Ended June 30	Recognized deferred Inflows/Outflows
2018	\$ 1,713,900
2019	949,300
2020	1,102,700
2021	805,900
<b>Total</b>	<b>\$ 4,571,800</b>

Employees hired after January 1, 2010 are enrolled in a Defined Contribution Plan, 401(a). Employees enrolled in this plan contributed 4.75% of their gross payroll in fiscal year 2016 and the Medical Center matched 4.75%. The Medical Center’s contributions to this plan were approximately \$937,060 and \$844,000 for the fiscal years ended June 30, 2017 and 2016, respectively.

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

**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 \$46,363,294 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, 2017, 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, 2017**

**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. The General Fund is the only fund that reports a positive unassigned fund balance. Other governmental funds may report unassigned fund balance only when liabilities exceed assets resulting in a negative unassigned fund balance.

A detailed schedule of fund balances as of June 30, 2017 is presented below.

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:			
Housing	\$ -	\$ 5,152,482	\$ 5,152,482
Special projects		58	58
Debt service		9,413,193	9,413,193
Community development		7,883,516	7,883,516
Asset forfeiture		269,750	269,750
Public safety		946,640	946,640
Streets and roads		8,416,209	8,416,209
Landscaping & community facilities district		434,718	434,718
Capital projects		<u>19,519,933</u>	<u>19,519,933</u>
Total restricted fund balances		<u>52,036,499</u>	<u>52,036,499</u>
Committed to:			
Parks and recreation		488,230	488,230
Streets and roads		209,334	209,334
Capital projects		<u>977,763</u>	<u>977,763</u>
Total committed fund balances		<u>1,675,327</u>	<u>1,675,327</u>
Assigned to:			
Other post employment benefits	<u>4,675,830</u>		<u>4,675,830</u>
Total assigned fund balances	<u>4,675,830</u>		<u>4,675,830</u>
Unassigned	<u>13,565,446</u>	<u>(13,650)</u>	<u>13,551,796</u>
Total unassigned fund balances	<u>13,565,446</u>	<u>(13,650)</u>	<u>13,551,796</u>
Total nonspendable		<u>6,736,080</u>	<u>6,736,080</u>
Total fund balances	<u>\$ 18,241,276</u>	<u>\$ 60,434,256</u>	<u>\$ 78,675,532</u>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**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. The State delayed reimbursements for AB 113 and as such, the Medical Center received \$3,490,002 for the fiscal year ended June 30, 2017.

**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, 2017**

**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 Trustee.

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, 2017**

**NOTE 21 – SUCCESSOR 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, 2017**

**NOTE 21 – SUCCESSOR 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, 2017 was as follows:

Fiduciary Activities:	Balance at July 1, 2016	Prior Period Adjustment	Additions	Deletions	Balance at June 30, 2017
Capital assets, not being depreciated:					
Land and land improvements	\$ 5,763,861	\$ -	\$ -	\$ -	\$ 5,763,861
Construction in progress		497,149	826,610		1,323,759
Total capital assets, not being depreciated	<u>5,763,861</u>	<u>497,149</u>			<u>7,087,620</u>
Capital assets, being depreciated:					
Structures and improvements	21,720,364				21,720,364
Vehicles	79,772				79,772
Equipment	425,128				425,128
Total capital assets, being depreciated	<u>22,225,264</u>				<u>22,225,264</u>
Less accumulated depreciation for:					
Structures and improvements	(7,860,622)		(570,092)		(8,430,714)
Vehicles	(79,772)				(79,772)
Equipment	(347,299)		(1,012)		(348,311)
Total accumulated depreciation	<u>(8,287,693)</u>		<u>(571,104)</u>		<u>(8,858,797)</u>
Total capital assets, being depreciated net	<u>13,937,571</u>		<u>(571,104)</u>		<u>13,366,467</u>
Fiduciary activities capital assets, net	<u>\$ 19,701,432</u>	<u>\$ 497,149</u>	<u>\$ (571,104)</u>	<u>\$ -</u>	<u>\$ 20,454,087</u>

The following is a schedule of long-term liabilities for the fiscal year ended June 30, 2017:

	Balance at July 1, 2016	Additions	Reductions	Balance at June 30, 2017	Due Within One Year
Tax allocation bonds payable (2007)	\$ 27,205,000	\$ -	\$ (770,000)	\$ 26,435,000	\$ 820,000
Unamortized discount	(306,735)		15,085	(291,650)	(15,085)
Tax allocation bonds payable (2011)	7,545,000		(765,000)	6,780,000	775,000
Total	<u>\$ 34,443,265</u>	<u>\$ -</u>	<u>\$ (1,519,915)</u>	<u>\$ 32,923,350</u>	<u>\$ 1,579,915</u>

CITY OF EL CENTRO  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 21 – SUCCESSOR 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, 2017 is \$26,143,350, which is net of the \$291,650 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, 2017**

**NOTE 21 – SUCCESSOR 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, 2017 is \$6,780,000.

The annual requirements to amortize long-term debt outstanding at June 30, 2017 are as follows:

Fiscal Year Ended June 30,	2007 Series A Tax Allocation Bonds		
	Principal	Interest	Total
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	865,000	821,037	1,686,037
2022	920,000	785,337	1,705,337
2023-2027	6,525,000	3,205,228	9,730,228
2028-2032	6,660,000	1,597,640	8,257,640
2033-2037	4,405,000	520,087	4,925,087
	<u>21,635,000</u>	<u>9,584,540</u>	<u>31,219,540</u>
Less bond discount	<u>(263,344)</u>		<u>(263,344)</u>
	<u>\$ 21,371,656</u>	<u>\$ 9,584,540</u>	<u>\$ 30,956,196</u>

Fiscal Year Ended June 30,	2007 Series B Tax Allocation Bonds		
	Principal	Interest	Total
2018	\$ 125,000	\$ 271,022	\$ 396,022
2019	140,000	263,602	403,602
2020	155,000	255,342	410,342
2021	170,000	246,242	416,242
2022	190,000	236,162	426,162
2023-2027	1,485,000	963,976	2,448,976
2028-2032	1,580,000	456,837	2,036,837
2033-2037	955,000	145,331	1,100,331
	<u>4,800,000</u>	<u>2,838,514</u>	<u>7,638,514</u>
Less bond discount	<u>(28,306)</u>		<u>(28,306)</u>
	<u>\$ 4,771,694</u>	<u>\$ 2,838,514</u>	<u>\$ 7,610,208</u>

**CITY OF EL CENTRO**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 21 – SUCCESSOR 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, 2017 are as follows:  
(Continued)

Fiscal Year Ended June 30,	Series 2011C Tax Allocation Bonds		
	Principal	Interest	Total
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	840,000	255,012	1,095,012
2022	860,000	204,012	1,064,012
2023-2026	2,690,000	355,764	3,045,764
	<u>\$ 6,780,000</u>	<u>\$ 1,873,224</u>	<u>\$ 8,653,224</u>

Fiscal Year Ended June 30,	Total Tax Allocation Bonds		
	Principal	Interest	Total
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	1,875,000	1,322,291	3,197,291
2022	1,970,000	1,225,511	3,195,511
2023-2027	10,700,000	4,524,968	12,179,204
2028-2032	8,240,000	2,054,477	10,294,477
2033-2037	5,360,000	665,418	6,025,418
	33,215,000	14,296,278	44,465,514
Less bond discount	(291,650)		(291,650)
	<u>\$ 32,923,350</u>	<u>\$ 14,296,278</u>	<u>\$ 44,173,864</u>

**NOTE 22 – RESTATEMENTS OF FUND BALANCE/NET POSITION**

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

A prior period adjustment \$497,149 was made in the Successor Agency Capital Projects fund due to an understatement of construction in progress in the prior fiscal year.

Prior period adjustments of \$233,644 and \$293,500 were made in the Water and Wastewater funds respectively due to an understatement of accounts receivable in the prior fiscal year.

Prior period adjustments of \$3,464 and \$(3,464) were made in the Worker's Compensation and Group Health Insurance funds respectively due to a misclassification of expenditures between the two internal service funds in the prior fiscal year.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**



**CITY OF EL CENTRO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**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 2017	Miscellaneous Plan 2016	Miscellaneous Plan 2015
Measurement Period	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
<b>Total Pension Liability</b>			
Service Costs	\$ 1,241,911	\$ 1,188,226	\$ 1,215,299
Interest on the Total Pension Liability	4,987,901	4,768,690	4,607,233
Changes of Assumptions		(1,177,330)	
Differences between Expected and Actual Experience	(178,197)	(856,424)	
Benefit Payments, including Refunds of Employee Contributions	(2,996,761)	(2,883,347)	(2,855,061)
<b>Net Change in Total Pension Liability</b>	<b>3,054,854</b>	<b>1,039,815</b>	<b>2,967,471</b>
<b>Total Pension Liability - Beginning</b>	<b>66,256,939</b>	<b>65,217,124</b>	<b>62,249,653</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 69,311,793</b>	<b>\$ 66,256,939</b>	<b>\$ 65,217,124</b>
<b>Plan Fiduciary Net Position</b>			
Contribution from the Employer	\$ 1,099,805	\$ 831,705	\$ 746,065
Contribution from the Employees	658,851	590,048	604,985
Net investment income <sup>2</sup>	228,565	1,181,242	8,605,215
Benefit Payments	(2,996,761)	(2,883,347)	(2,855,061)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(1,009,540)</b>	<b>(280,352)</b>	<b>7,101,204</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>56,930,110</b>	<b>57,210,462</b>	<b>50,109,258</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 55,920,570</b>	<b>\$ 56,930,110</b>	<b>\$ 57,210,462</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 13,391,223</b>	<b>\$ 9,326,829</b>	<b>\$ 8,006,662</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>80.68%</b>	<b>85.92%</b>	<b>87.72%</b>
<b>Covered Employee Payroll</b>	<b>\$ 8,516,739</b>	<b>\$ 8,079,870</b>	<b>\$ 7,902,333</b>
<b>Net Pension Liability as Percentage of Covered Employee Payroll</b>	<b>157.23%</b>	<b>115.43%</b>	<b>101.32%</b>

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Net of administrative expenses.

**Note to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. 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:** None

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**CITY OF EL CENTRO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

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

**Schedule of Pension Contributions<sup>1</sup>**

	Miscellaneous Plan 2017	Miscellaneous Plan 2016	Miscellaneous Plan 2015
Actuarially Determined Contribution <sup>2</sup>	\$ 1,099,805	\$ 831,705	\$ 746,065
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(1,099,805)	(831,705)	(746,065)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll <sup>3,4</sup>	\$ 8,516,739	\$ 8,079,870	\$ 7,902,333
Contributions as a Percentage of Covered Employee Payroll <sup>3</sup>	12.91%	10.29%	9.44%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Includes one year's payroll growth using 3.00 percent payroll growth assumption.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2012 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; 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 three years are shown.

**CITY OF EL CENTRO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**Cost Sharing Defined Benefit Pension Plan – City Safety Plan  
As of June 30, 2017**

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of net pension liability	0.330739%	0.352026%	0.598620%
Proportionate share of net pension liability	\$ 28,619,175	\$ 24,162,776	\$22,454,033
Covered-employee payroll	\$ 6,054,526	\$ 5,392,339	\$ 5,399,857
Proportionate share of net pension liability as a percentage of covered-employee payroll	472.69%	448.09%	415.83%
Plan's fiduciary net position	\$ 68,739,383	\$ 67,893,569	\$67,281,195
Plan's total pension liability	\$ 97,358,558	\$ 92,056,345	\$89,735,228
Plan fiduciary net position as percentage of total pension liability	70.60%	73.75%	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, 2014 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 1<sup>st</sup> year of implementation, therefore only three years are shown.

**CITY OF EL CENTRO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**Cost Sharing Defined Benefit Pension Plan – City Safety Plan  
As of June 30, 2017**

**Schedule of Pension Contributions – Last 10 Years\***

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractual required contribution (actuarially determined)	\$ 3,702,904	\$ 3,444,430	\$ 2,825,594
Contributions in relation to the actuarially determined contributions	<u>(3,702,904)</u>	<u>(3,444,430)</u>	<u>(2,825,594)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,144,821	\$ 6,054,526	\$ 5,399,857
Contributions as a percentage of covered employee payroll	60.26%	56.89%	52.33%

**Notes to Schedule**

Valuation Date: June 30, 2015

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 <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds

<sup>(1)</sup>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 1<sup>st</sup> year of implementation, therefore only three years are shown.

**CITY OF EL CENTRO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**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%
6/30/2015	6,439,000	8,397,000	(1,958,000)	130.4%	12,894,000	-15.2%

**CITY OF EL CENTRO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

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

**Schedule of Changes in the Net Pension Liability and Related Ratios**

	2017	2016	2015
<b>Total pension liability:</b>			
Service cost	\$ 1,241,300	\$ 1,460,700	\$ 1,586,900
Interest	6,525,700	6,129,100	5,589,400
Actuarial liability loss (gain)	1,576,800	1,346,000	3,839,500
Change in assumptions	115,800	109,000	(295,300)
Benefit payments including return of participant contributions	(4,219,900)	(3,646,300)	(3,308,000)
<b>Net change in total pension liability</b>	<b>5,239,700</b>	<b>5,398,500</b>	<b>7,412,500</b>
<b>Total pension liability - Beginning</b>	<b>88,066,200</b>	<b>82,667,700</b>	<b>75,255,200</b>
<b>Total pension liability - Ending</b>	<b>93,305,900</b>	<b>88,066,200</b>	<b>82,667,700</b>
<b>Plan fiduciary net position:</b>			
Contributions by Medical Center	3,239,400	3,716,700	3,323,900
Contributions by participants	1,356,200	1,333,700	1,330,700
Net investment income	66,800	2,334,200	4,166,900
Benefit payments including return of participant contributions	(4,219,900)	(3,646,300)	(3,308,000)
Administrative expense	(36,600)	(32,700)	(29,300)
<b>Net change in plan fiduciary net position</b>	<b>405,900</b>	<b>3,705,600</b>	<b>5,484,200</b>
<b>Plan fiduciary net position - Beginning</b>	<b>53,953,800</b>	<b>50,248,200</b>	<b>44,764,000</b>
<b>Plan fiduciary net position - Ending</b>	<b>54,359,700</b>	<b>53,953,800</b>	<b>50,248,200</b>
<b>Medical Center's net pension liability</b>	<b>\$ 38,946,200</b>	<b>\$ 34,112,400</b>	<b>\$ 32,419,500</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>58.26 %</b>	<b>61.27 %</b>	<b>60.78 %</b>
<b>Covered - Employee payroll</b>	<b>\$ 27,657,600</b>	<b>\$ 29,865,900</b>	<b>\$ 32,279,300</b>
<b>Medical Center's net pension liability as a percentage of covered employee payroll</b>	<b>140.82 %</b>	<b>114.22 %</b>	<b>100.43 %</b>

**Notes to Schedule**

Changes in assumptions: The Mortality Assumption was changed from the 2015 Annuitant and Nonannuitant table for males and females published by the Internal Revenue Service in Notice 2013-49 to the 2016 Annuitant and Nonannuitant table for males and females published by the Internal Revenue Service in Notice 2015-53.

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only three years are shown.



CITY OF EL CENTRO  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2017

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, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Budgetary Data (Continued)

There were no budgets prepared for the CDBG Special Revenue Fund, Traffic Safety Special Revenue Fund, Soft Drink Franchise Special Revenue Fund, Integrated Waste Management Special Revenue Fund, Used Oil Grant Special Revenue Fund, Department of Conservation Special Revenue Fund, Household Hazardous Waste Special Revenue Fund, 7<sup>th</sup> and State Bus Terminal Special Revenue Fund, 2010 Earthquake Special Revenue Fund, Post Office Grant Capital Projects Fund, EDA Grant Capital Projects Fund, Proposition 1B Capital Projects Fund, HCD Community Center Capital Projects 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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 16,933,000	\$ 16,933,000	\$ 18,475,499	\$ 1,542,499
Licenses and Permits	331,000	331,000	270,740	(60,260)
Intergovernmental	4,910,000	5,008,704	5,465,535	456,831
Charges for Services	665,500	762,952	665,156	(97,796)
Fines and Forfeitures	160,000	160,000	91,105	(68,895)
Interest	105,000	105,000	118,339	13,339
Other	1,559,165	1,559,165	1,165,245	(393,920)
Total Revenues	<u>24,663,665</u>	<u>24,859,821</u>	<u>26,251,619</u>	<u>1,391,798</u>
<b>Expenditures</b>				
Current				
General Government	3,119,481	3,364,666	3,280,437	84,229
Public Safety	16,677,586	16,798,476	15,967,456	831,020
Public Works	1,757,817	1,760,592	1,265,255	495,337
Parks and Recreation	3,270,078	3,255,996	3,164,069	91,927
Community Development	1,469,396	1,571,410	1,774,100	(202,690)
Capital Outlay	4,476,290	4,980,110	917,627	4,062,483
Total Expenditures	<u>30,770,648</u>	<u>31,731,250</u>	<u>26,368,944</u>	<u>5,362,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,106,983)</u>	<u>(6,871,429)</u>	<u>(117,325)</u>	<u>6,754,104</u>
<b>Other Financing Sources (uses):</b>				
Transfers In	10,225,074	10,225,074	855,140	(9,369,934)
Transfers Out			(65,000)	(65,000)
Total Other Financing Sources (Uses)	<u>10,225,074</u>	<u>10,225,074</u>	<u>790,140</u>	<u>(9,434,934)</u>
Net Change in Fund Balance	4,118,091	3,353,645	672,815	(2,680,830)
<b>Fund Balance - July 1, 2016</b>	<u>17,568,461</u>	<u>17,568,461</u>	<u>17,568,461</u>	
<b>Fund Balance - June 30, 2017</b>	<u>\$ 21,686,552</u>	<u>\$ 20,922,106</u>	<u>\$ 18,241,276</u>	<u>\$ (2,680,830)</u>

See Note to Required Supplementary Information



**OTHER SUPPLEMENTARY  
INFORMATION**

# COMBINING STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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

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**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 Program- 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 Mitigation - This fund was set up to collect fees to mitigate impact to police and fire services from new developments.

7<sup>th</sup> 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

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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.

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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 8<sup>th</sup> 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.

8<sup>th</sup> 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.

HCD Community Center – This fund is used to account for revenue and expenses incurred for HCD Community Center Grant.

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

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

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**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, 2017**

**Special Revenue Funds**

	Gas Tax	CDBG	Library Assistance	Bus Shelter	Transportation Article 3	Home Program	Rental Rehab-HUD	Traffic Safety	Home Program Income Admin
<b>Assets</b>									
Cash and investments	\$ 129,640	\$ -	\$ 20	\$ 285,962	\$ 81,757	\$ 128,961	\$ 306,193	\$ 1,348	\$ 14,242
Receivables:									
Taxes									
Interest	519		36	244	298	99	358	5	10
Grants									
Notes		1,555,463				4,005,415			
Other						3,109			
Restricted cash and investments with fiscal agent									
Land held for resale									
<b>Total Assets</b>	<u>\$ 130,159</u>	<u>\$ 1,555,463</u>	<u>\$ 56</u>	<u>\$ 286,206</u>	<u>\$ 82,055</u>	<u>\$ 4,137,584</u>	<u>\$ 306,551</u>	<u>\$ 1,353</u>	<u>\$ 14,252</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ 10,027	\$ -	\$ 3,848	\$ -	\$ -	\$ -
Salaries/benefits payable									
Deposits									
Due to other funds	129,746								
<b>Total Liabilities</b>	<u>129,746</u>			<u>10,027</u>		<u>3,848</u>			
<b>Fund Balances</b>									
Nonspendable									
Restricted	413	1,555,463	56	276,179	82,055	4,133,736	306,551	1,353	14,252
Committed									
Unassigned									
<b>Total Fund Balances (Deficits)</b>	<u>413</u>	<u>1,555,463</u>	<u>56</u>	<u>276,179</u>	<u>82,055</u>	<u>4,133,736</u>	<u>306,551</u>	<u>1,353</u>	<u>14,252</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 130,159</u>	<u>\$ 1,555,463</u>	<u>\$ 56</u>	<u>\$ 286,206</u>	<u>\$ 82,055</u>	<u>\$ 4,137,584</u>	<u>\$ 306,551</u>	<u>\$ 1,353</u>	<u>\$ 14,252</u>

(Continued)

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

June 30, 2017

(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
<b>Assets</b>									
Cash and investments	\$ 4,135	\$ 309,664	\$ 7,102	\$ 297,570	\$ 5,213,918	\$ 63,626	\$ 36,170	\$ 74,690	\$ 107,869
Receivables:									
Taxes									
Interest		362		1,286	7,835	76	18	125	125
Grants							3,515		
Notes						4,281,740			
Other					232,648			128,904	
Restricted cash and investments with fiscal agent									
Land held for resale									
<b>Total Assets</b>	<u>\$ 4,135</u>	<u>\$ 310,026</u>	<u>\$ 7,102</u>	<u>\$ 298,856</u>	<u>\$ 5,454,401</u>	<u>\$ 4,345,442</u>	<u>\$ 39,703</u>	<u>\$ 203,719</u>	<u>\$ 107,994</u>
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 733	\$ -	\$ 357	\$ 29,106	\$ 350,406	\$ -	\$ -	\$ -	\$ -
Salaries/benefits payable							2,295		
Deposits	230								
Due to other funds									
<b>Total Liabilities</b>	<u>963</u>		<u>357</u>	<u>29,106</u>	<u>350,406</u>		<u>2,295</u>		
<b>Fund Balances</b>									
Nonspendable						4,281,740			
Restricted	3,172		6,745	269,750	5,103,995	63,702	39,703	201,424	
Committed		310,026							107,994
Unassigned									
<b>Total Fund Balances (Deficits)</b>	<u>3,172</u>	<u>310,026</u>	<u>6,745</u>	<u>269,750</u>	<u>5,103,995</u>	<u>4,345,442</u>	<u>39,703</u>	<u>201,424</u>	<u>107,994</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,135</u>	<u>\$ 310,026</u>	<u>\$ 7,102</u>	<u>\$ 298,856</u>	<u>\$ 5,454,401</u>	<u>\$ 4,345,442</u>	<u>\$ 39,703</u>	<u>\$ 203,719</u>	<u>\$ 107,994</u>

(Continued)

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

June 30, 2017

(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
<b>Assets</b>									
Cash and investments	\$ 625,439	\$ 296,675	\$ 483,202	\$ 52,503	\$ 3,296,956	\$ 62,005	\$ 1	\$ 221	\$ -
Receivables:									
Taxes									
Interest	726	573	565	62	3,724	73			
Grants									
Notes	880,891	613,706	23,276	936,467					
Other	96	2,900							
Restricted cash and investments with fiscal agent									
Land held for resale									
<b>Total Assets</b>	<u>\$ 1,507,152</u>	<u>\$ 913,854</u>	<u>\$ 507,043</u>	<u>\$ 989,032</u>	<u>\$ 3,300,680</u>	<u>\$ 62,078</u>	<u>\$ 1</u>	<u>\$ 221</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 10,738	\$ 634	\$ -	\$ 57	\$ 240,296	\$ -	\$ -	\$ 219	\$ -
Salaries/benefits payable									
Deposits									
Due to other funds					309,512				
<b>Total Liabilities</b>	<u>10,738</u>	<u>634</u>	<u>-</u>	<u>57</u>	<u>549,808</u>	<u>-</u>	<u>-</u>	<u>219</u>	<u>-</u>
<b>Fund Balances</b>									
Nonspendable	880,891	613,706	23,276	936,467					
Restricted	615,523	299,514	483,767	52,508	2,750,872	62,078	1	2	
Committed									
Unassigned									
<b>Total Fund Balances (Deficits)</b>	<u>1,496,414</u>	<u>913,220</u>	<u>507,043</u>	<u>988,975</u>	<u>2,750,872</u>	<u>62,078</u>	<u>1</u>	<u>2</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,507,152</u>	<u>\$ 913,854</u>	<u>\$ 507,043</u>	<u>\$ 989,032</u>	<u>\$ 3,300,680</u>	<u>\$ 62,078</u>	<u>\$ 1</u>	<u>\$ 221</u>	<u>\$ -</u>

(Continued)

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

June 30, 2017

(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 Mitigation	7th and State Bus Terminal	Legacy Ranch Lighting and Landscape District	IV Commons
<b>Assets</b>									
Cash and investments	\$ 40	\$ 20,708	\$ -	\$ 595,982	\$ 103,212	\$ 445,865	\$ 2	\$ 162,426	\$ 68,880
Receivables:									
Taxes		1,195						2,473	
Interest		6		696	158	521	2	229	81
Grants									
Notes									
Other									
Restricted cash and investments with fiscal agent									
Land held for resale									
<b>Total Assets</b>	<u>\$ 40</u>	<u>\$ 21,909</u>	<u>\$ -</u>	<u>\$ 596,678</u>	<u>\$ 103,370</u>	<u>\$ 446,386</u>	<u>\$ 4</u>	<u>\$ 165,128</u>	<u>\$ 68,961</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ -	\$ 1,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,102	\$ -
Salaries/benefits payable									
Deposits		275		487,200					61,840
Due to other funds									
<b>Total Liabilities</b>		<u>1,459</u>		<u>487,200</u>				<u>3,102</u>	<u>61,840</u>
<b>Fund Balances</b>									
Nonspendable									
Restricted	40	20,450			103,370	446,386	4	162,026	7,121
Committed				109,478					
Unassigned									
<b>Total Fund Balances (Deficits)</b>	<u>40</u>	<u>20,450</u>		<u>109,478</u>	<u>103,370</u>	<u>446,386</u>	<u>4</u>	<u>162,026</u>	<u>7,121</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 40</u>	<u>\$ 21,909</u>	<u>\$ -</u>	<u>\$ 596,678</u>	<u>\$ 103,370</u>	<u>\$ 446,386</u>	<u>\$ 4</u>	<u>\$ 165,128</u>	<u>\$ 68,961</u>

(Continued)

**CITY OF EL CENTRO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2017  
(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
<b>Assets</b>										
Cash and investments	\$ 210,118	\$ -	\$ -	\$ 20,683	\$ 168,940	\$ 6	\$ 235,258	\$ 496,216	\$ 242,073	\$ -
Receivables:										
Taxes										
Interest	245				63	11	275	442	403	1
Grants										
Notes			73,450		4,923,572					
Other			(12)	27,272	818					
Restricted cash and investments with fiscal agent										
Land held for resale					59,089					
<b>Total Assets</b>	<u>\$ 210,363</u>	<u>\$ -</u>	<u>\$ 73,438</u>	<u>\$ 47,955</u>	<u>\$ 5,152,482</u>	<u>\$ 17</u>	<u>\$ 235,533</u>	<u>\$ 496,658</u>	<u>\$ 242,476</u>	<u>\$ 1</u>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Accounts payable	\$ -	\$ -	\$ 27	\$ 544	\$ -	\$ -	\$ -	\$ 8,428	\$ -	\$ -
Salaries/benefits payable										
Deposits										
Due to other funds		13,135	476							
<b>Total Liabilities</b>		<u>13,135</u>	<u>503</u>	<u>544</u>				<u>8,428</u>		
<b>Fund Balances</b>										
Nonspendable										
Restricted	210,363		73,450	47,411	5,152,482	17	235,533	488,230	242,476	1
Committed										
Unassigned		(13,135)	(515)							
<b>Total Fund Balances (Deficits)</b>	<u>210,363</u>	<u>(13,135)</u>	<u>72,935</u>	<u>47,411</u>	<u>5,152,482</u>	<u>17</u>	<u>235,533</u>	<u>488,230</u>	<u>242,476</u>	<u>1</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 210,363</u>	<u>\$ -</u>	<u>\$ 73,438</u>	<u>\$ 47,955</u>	<u>\$ 5,152,482</u>	<u>\$ 17</u>	<u>\$ 235,533</u>	<u>\$ 496,658</u>	<u>\$ 242,476</u>	<u>\$ 1</u>

(Continued)

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

June 30, 2017

(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
<b>Assets</b>									
Cash and investments	\$ 171,331	\$ 371,145	\$ 160,338	\$ 18,587	\$ 4,659,060	\$ 102	\$ -	\$ 8,861	\$ 19,593
Receivables:									
Taxes									
Interest	201	423	188	21	4,756			9	23
Grants						1,769,418			
Notes									
Other									
Restricted cash and investments with fiscal agent									
Land held for resale									
<b>Total Assets</b>	<u>\$ 171,532</u>	<u>\$ 371,568</u>	<u>\$ 160,526</u>	<u>\$ 18,608</u>	<u>\$ 4,663,816</u>	<u>\$ 1,769,520</u>	<u>\$ -</u>	<u>\$ 8,870</u>	<u>\$ 19,616</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 420,000	\$ 324,795	\$ -	\$ -	\$ -
Salaries/benefits payable									
Deposits		317,400	132,960	15,000	4,147,568				
Due to other funds						1,353,050			
<b>Total Liabilities</b>		<u>317,400</u>	<u>132,960</u>	<u>15,000</u>	<u>4,567,568</u>	<u>1,677,845</u>			
<b>Fund Balances</b>									
Nonspendable									
Restricted	171,532					91,675		8,870	19,616
Committed		54,168	27,566	3,608	96,248				
Unassigned									
<b>Total Fund Balances (Deficits)</b>	<u>171,532</u>	<u>54,168</u>	<u>27,566</u>	<u>3,608</u>	<u>96,248</u>	<u>91,675</u>		<u>8,870</u>	<u>19,616</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 171,532</u>	<u>\$ 371,568</u>	<u>\$ 160,526</u>	<u>\$ 18,608</u>	<u>\$ 4,663,816</u>	<u>\$ 1,769,520</u>	<u>\$ -</u>	<u>\$ 8,870</u>	<u>\$ 19,616</u>

(Continued)

**CITY OF EL CENTRO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2017  
(Continued)**

	Capital Projects Funds					Debt Service Funds			Total Nonmajor Governmental Funds
	LTA Lease Revenue Bonds	Buena Vista Landscaping	HCD Community Center	Road Improvement	2011C Bonds City	2011 A & B Projects	Financing Authority	LTA Lease Revenue Bonds	
<b>Assets</b>									
Cash and investments	\$ 1,645,986	\$ 267,513	\$ 191	\$ 754,218	\$ -	\$ 6,122,817	\$ -	\$ 61,291	\$ 28,911,311
Receivables:									
Taxes		1,619							5,287
Interest	1,877	336		1,000	1	7,154		27	36,268
Grants									1,772,933
Notes									17,293,980
Other									395,735
Restricted cash and investments with fiscal agent	2,147,826				9,569,048		7,895,508	1,456,367	21,068,749
Land held for resale									59,089
<b>Total Assets</b>	<b>\$ 3,795,689</b>	<b>\$ 269,468</b>	<b>\$ 191</b>	<b>\$ 755,218</b>	<b>\$ 9,569,049</b>	<b>\$ 6,129,971</b>	<b>\$ 7,895,508</b>	<b>\$ 1,517,685</b>	<b>\$ 69,543,352</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 2,866	\$ 3,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,411,264
Salaries/benefits payable									2,295
Deposits				727,145					5,889,618
Due to other funds									1,805,919
<b>Total Liabilities</b>	<b>2,866</b>	<b>3,897</b>		<b>727,145</b>					<b>9,109,096</b>
<b>Fund Balances</b>									
Nonspendable									6,736,080
Restricted	3,792,823	265,571	191	28,073	9,569,049	6,129,971	7,895,508	1,517,685	52,036,499
Committed									1,675,327
Unassigned									(13,650)
<b>Total Fund Balances (Deficits)</b>	<b>3,792,823</b>	<b>265,571</b>	<b>191</b>	<b>28,073</b>	<b>9,569,049</b>	<b>6,129,971</b>	<b>7,895,508</b>	<b>1,517,685</b>	<b>60,434,256</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,795,689</b>	<b>\$ 269,468</b>	<b>\$ 191</b>	<b>\$ 755,218</b>	<b>\$ 9,569,049</b>	<b>\$ 6,129,971</b>	<b>\$ 7,895,508</b>	<b>\$ 1,517,685</b>	<b>\$ 69,543,352</b>

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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, 2017

	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	841,448			88,785	37,300				8,523
Charges for services									
Fines and forfeitures									
Interest	1,546		60	2,016	440	884	2,863	12	139
Other						5,684			
<b>Total Revenues</b>	<b>842,994</b>		<b>60</b>	<b>90,801</b>	<b>37,740</b>	<b>6,568</b>	<b>2,863</b>	<b>12</b>	<b>8,662</b>
Expenditures:									
Current:									
Public safety									
Public works				35,811					
Parks and recreation									
Community development						41,263			7,364
Capital outlay									
Debt Service:									
Principal									
Interest and fiscal charges									
<b>Total Expenditures</b>				<b>35,811</b>		<b>41,263</b>			<b>7,364</b>
Excess (Deficiency) of Revenues over (Under) Expenditures	842,994		60	54,990	37,740	(34,695)	2,863	12	1,298
Other Financing Sources (Uses):									
Transfers In									
Transfers Out	(793,169)	(114,839)	(30,731)						
<b>Total Other Financing Sources (Uses)</b>	<b>(793,169)</b>	<b>(114,839)</b>	<b>(30,731)</b>						
Net Change in Fund Balances	49,825	(114,839)	(30,671)	54,990	37,740	(34,695)	2,863	12	1,298
Fund Balances (Deficits) - July 1, 2016	(49,412)	1,670,302	30,727	221,189	44,315	4,168,431	303,688	1,341	12,954
Fund Balances (Deficits) - June 30, 2017	\$ 413	\$ 1,555,463	\$ 56	\$ 276,179	\$ 82,055	\$ 4,133,736	\$ 306,551	\$ 1,353	\$ 14,252

(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, 2017  
(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					2,564,748		70,986	89,762	
Charges for services									
Fines and forfeitures				16,761					
Interest	46	2,895		3,887	51,243		201	796	1,008
Other			24,014		250,000				
Total Revenues	<u>46</u>	<u>2,895</u>	<u>24,014</u>	<u>20,648</u>	<u>2,865,991</u>		<u>71,187</u>	<u>90,558</u>	<u>1,008</u>
Expenditures:									
Current:									
Public safety				66,377			45,945	89,762	
Public works					104,132				
Parks and recreation			38,444						
Community development						5,657			
Capital outlay				167,474	1,813,724				
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures			<u>38,444</u>	<u>233,851</u>	<u>1,917,856</u>	<u>5,657</u>	<u>45,945</u>	<u>89,762</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>46</u>	<u>2,895</u>	<u>(14,430)</u>	<u>(213,203)</u>	<u>948,135</u>	<u>(5,657)</u>	<u>25,242</u>	<u>796</u>	<u>1,008</u>
Other Financing Sources (Uses):									
Transfers In			65,000						
Transfers Out				(62,366)	(1,312,228)				
Total Other Financing Sources (Uses)			<u>65,000</u>	<u>(62,366)</u>	<u>(1,312,228)</u>				
Net Change in Fund Balances	46	2,895	50,570	(275,569)	(364,093)	(5,657)	25,242	796	1,008
Fund Balances (Deficits) - July 1, 2016	<u>3,126</u>	<u>307,131</u>	<u>(43,825)</u>	<u>545,319</u>	<u>5,468,088</u>	<u>4,351,099</u>	<u>14,461</u>	<u>200,628</u>	<u>106,986</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 3,172</u>	<u>\$ 310,026</u>	<u>\$ 6,745</u>	<u>\$ 269,750</u>	<u>\$ 5,103,995</u>	<u>\$ 4,345,442</u>	<u>\$ 39,703</u>	<u>\$ 201,424</u>	<u>\$ 107,994</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, 2017  
(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	351,174								
Charges for services					205,042				
Fines and forfeitures									
Interest	5,857	2,019		484	30,020	580	3	2	
Other	5,187	9,546		359					
<b>Total Revenues</b>	<b>362,218</b>	<b>11,565</b>		<b>843</b>	<b>235,062</b>	<b>580</b>	<b>3</b>	<b>2</b>	
Expenditures:									
Current:									
Public safety									
Public works									
Parks and recreation							420		
Community development	201,563	4,754	172	48,078					
Capital outlay	100	634			6,166				
Debt Service:									
Principal									
Interest and fiscal charges									
<b>Total Expenditures</b>	<b>201,663</b>	<b>5,388</b>	<b>172</b>	<b>48,078</b>	<b>6,166</b>		<b>420</b>		
Excess (Deficiency) of Revenues over (Under) Expenditures	160,555	6,177	(172)	(47,235)	228,896	580	(417)	2	
Other Financing Sources (Uses):									
Transfers In		114,839							
Transfers Out									
<b>Total Other Financing Sources (Uses)</b>		<b>114,839</b>							
<b>Net Change in Fund Balances</b>	<b>160,555</b>	<b>121,016</b>	<b>(172)</b>	<b>(47,235)</b>	<b>228,896</b>	<b>580</b>	<b>(417)</b>	<b>2</b>	
Fund Balances (Deficits) - July 1, 2016	1,335,859	792,204	507,215	1,036,210	2,521,976	61,498	418		
<b>Fund Balances (Deficits) - June 30, 2017</b>	<b>\$ 1,496,414</b>	<b>\$ 913,220</b>	<b>\$ 507,043</b>	<b>\$ 988,975</b>	<b>\$ 2,750,872</b>	<b>\$ 62,078</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ -</b>

(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, 2017  
(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 Mitigation	7th and State Bus Terminal	Legacy Ranch Lighting and Landscape District	IV Commons
Revenues:									
Taxes	\$ -	\$ 23,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,125	\$ -
Intergovernmental	40				3,416				
Charges for services									
Fines and forfeitures									
Interest		92		5,572	1,204	4,168	9	1,480	644
Other									
Total Revenues	<u>40</u>	<u>23,463</u>		<u>5,572</u>	<u>4,620</u>	<u>4,168</u>	<u>9</u>	<u>8,605</u>	<u>644</u>
Expenditures:									
Current:									
Public safety									
Public works		3,051							
Parks and recreation									
Community development					39,983			27,860	
Capital outlay							1,185		
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures		<u>3,051</u>			<u>39,983</u>		<u>1,185</u>	<u>27,860</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>40</u>	<u>20,412</u>		<u>5,572</u>	<u>(35,363)</u>	<u>4,168</u>	<u>(1,176)</u>	<u>(19,255)</u>	<u>644</u>
Other Financing Sources (Uses):									
Transfers In									
Transfers Out									
Total Other Financing Sources (Uses)									
Net Change in Fund Balances	40	20,412		5,572	(35,363)	4,168	(1,176)	(19,255)	644
Fund Balances (Deficits) - July 1, 2016		38		103,906	138,733	442,218	1,180	181,281	6,477
Fund Balances (Deficits) - June 30, 2017	<u>\$ 40</u>	<u>\$ 20,450</u>	<u>\$ -</u>	<u>\$ 109,478</u>	<u>\$ 103,370</u>	<u>\$ 446,386</u>	<u>\$ 4</u>	<u>\$ 162,026</u>	<u>\$ 7,121</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, 2017  
(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		185,025		153,739						
Charges for services										
Fines and forfeitures										
Interest	1,964			75		18	2,140	4,859	3,031	
Other			5,395							
Total Revenues	<u>1,964</u>	<u>185,025</u>	<u>5,395</u>	<u>153,814</u>		<u>18</u>	<u>2,140</u>	<u>4,859</u>	<u>3,031</u>	
Expenditures:										
Current:										
Public safety				104,772						
Public works										
Parks and recreation										(1)
Community development					16,929					
Capital outlay				24,428			37,095	102,752		
Debt Service:										
Principal										
Interest and fiscal charges										
Total Expenditures				<u>129,200</u>	<u>16,929</u>		<u>37,095</u>	<u>102,752</u>		<u>(1)</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>1,964</u>	<u>185,025</u>	<u>5,395</u>	<u>24,614</u>	<u>(16,929)</u>	<u>18</u>	<u>2,140</u>	<u>(32,236)</u>	<u>(99,721)</u>	<u>1</u>
Other Financing Sources (Uses):										
Transfers In										
Transfers Out						(8,999)				
Total Other Financing Sources (Uses)						<u>(8,999)</u>				
Net Change in Fund Balances	1,964	185,025	5,395	24,614	(16,929)	(8,981)	2,140	(32,236)	(99,721)	1
Fund Balances (Deficits) - July 1, 2016	<u>208,399</u>	<u>(198,160)</u>	<u>67,540</u>	<u>22,797</u>	<u>5,169,411</u>	<u>8,998</u>	<u>233,393</u>	<u>520,466</u>	<u>342,197</u>	
Fund Balances (Deficits) - June 30, 2017	<u>\$ 210,363</u>	<u>\$ (13,135)</u>	<u>\$ 72,935</u>	<u>\$ 47,411</u>	<u>\$ 5,152,482</u>	<u>\$ 17</u>	<u>\$ 235,533</u>	<u>\$ 488,230</u>	<u>\$ 242,476</u>	<u>\$ 1</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, 2017  
(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						1,791,394			
Charges for services									
Fines and forfeitures									
Interest	1,559	3,457	1,552	209	40,569	245		1,246	183
Other									
Total Revenues	<u>1,559</u>	<u>3,457</u>	<u>1,552</u>	<u>209</u>	<u>40,569</u>	<u>1,791,639</u>		<u>1,246</u>	<u>183</u>
Expenditures:									
Current:									
Public safety									
Public works									
Parks and recreation									
Community development									
Capital outlay					420,000	1,791,394			
Debt Service:									
Principal									
Interest and fiscal charges									
Total Expenditures					<u>420,000</u>	<u>1,791,394</u>			
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>1,559</u>	<u>3,457</u>	<u>1,552</u>	<u>209</u>	<u>(379,431)</u>	<u>245</u>		<u>1,246</u>	<u>183</u>
Other Financing Sources (Uses):									
Transfers In									
Transfers Out									
Total Other Financing Sources (Uses)									
Net Change in Fund Balances	1,559	3,457	1,552	209	(379,431)	245		1,246	183
Fund Balances (Deficits) - July 1, 2016	<u>169,973</u>	<u>50,711</u>	<u>26,014</u>	<u>3,399</u>	<u>475,679</u>	<u>91,430</u>		<u>7,624</u>	<u>19,433</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 171,532</u>	<u>\$ 54,168</u>	<u>\$ 27,566</u>	<u>\$ 3,608</u>	<u>\$ 96,248</u>	<u>\$ 91,675</u>	<u>\$ -</u>	<u>\$ 8,870</u>	<u>\$ 19,616</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, 2017  
(Continued)

	Capital Project Funds					Debt Service Funds			Total Nonmajor Governmental Funds
	LTA Lease Revenue Bonds	Buena Vista Landscaping	HCD Community Center	Road Improvement	2011 C Bonds City	2011 A & B Projects	Financing Authority	LTA Lease Revenue Bonds	
Revenues:									
Taxes	\$ -	\$ 4,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,545
Intergovernmental	272,333								6,458,673
Charges for services									205,042
Fines and forfeitures									16,761
Interest	55,122	2,450	191	6,841	26,856	57,241	234,694	15,719	580,391
Other									300,185
Total Revenues	<u>327,455</u>	<u>6,499</u>	<u>191</u>	<u>6,841</u>	<u>26,856</u>	<u>57,241</u>	<u>234,694</u>	<u>15,719</u>	<u>7,595,597</u>
Expenditures:									
Current:									
Public safety									306,856
Public works	7,450								150,444
Parks and recreation									38,863
Community development		18,961							412,584
Capital outlay	427,004								4,791,956
Debt Service:									
Principal							765,000	444,033	1,209,033
Interest and fiscal charges							234,755	907,561	1,142,316
Total Expenditures	<u>434,454</u>	<u>18,961</u>					<u>999,755</u>	<u>1,351,594</u>	<u>8,052,052</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(106,999)</u>	<u>(12,462)</u>	<u>191</u>	<u>6,841</u>	<u>26,856</u>	<u>57,241</u>	<u>(765,061)</u>	<u>(1,335,875)</u>	<u>(456,455)</u>
Other Financing Sources (Uses):									
Transfers In					327		432	1,351,594	1,532,192
Transfers Out									(2,322,332)
Total Other Financing Sources (Uses)					<u>327</u>		<u>432</u>	<u>1,351,594</u>	<u>(790,140)</u>
Net Change in Fund Balances	<u>(106,999)</u>	<u>(12,462)</u>	<u>191</u>	<u>6,841</u>	<u>27,183</u>	<u>57,241</u>	<u>(764,629)</u>	<u>15,719</u>	<u>(1,246,595)</u>
Fund Balances (Deficits) - July 1, 2016	<u>3,899,822</u>	<u>278,033</u>		<u>21,232</u>	<u>9,541,866</u>	<u>6,072,730</u>	<u>8,660,137</u>	<u>1,501,966</u>	<u>61,680,851</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 3,792,823</u>	<u>\$ 265,571</u>	<u>\$ 191</u>	<u>\$ 28,073</u>	<u>\$ 9,569,049</u>	<u>\$ 6,129,971</u>	<u>\$ 7,895,508</u>	<u>\$ 1,517,685</u>	<u>\$ 60,434,256</u>



**SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**



**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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 929,346	\$ 841,448	\$ (87,898)
Interest	1,000	1,546	546
Total Revenues	<u>930,346</u>	<u>842,994</u>	<u>(87,352)</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>930,346</u>	 <u>842,994</u>	 <u>(87,352)</u>
 Other Financing Sources (Uses) Transfers Out	 <u>(922,358)</u>	 <u>(793,169)</u>	 <u>129,189</u>
 Total Other Financing Sources (Uses)	 <u>(922,358)</u>	 <u>(793,169)</u>	 <u>129,189</u>
 Net Change in Fund Balance	 7,988	 49,825	 41,837
 Fund Balance - July 1	 <u>(49,412)</u>	 <u>(49,412)</u>	 <u></u>
 Fund Balance - June 30	 <u>\$ (41,424)</u>	 <u>\$ 413</u>	 <u>\$ 41,837</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ -	\$ 60	\$ 60
Total Revenue	<u>          </u>	<u>60</u>	<u>60</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>          </u>	<u>60</u>	<u>60</u>
Other Financing Sources (Uses)			
Transfers Out	(30,192)	(30,731)	(539)
Total Other Financing Sources (Uses)	<u>(30,192)</u>	<u>(30,731)</u>	<u>(539)</u>
Net Change in Fund Balance	(30,192)	(30,671)	(479)
Fund Balance - July 1	<u>30,727</u>	<u>30,727</u>	
Fund Balance - June 30	<u>\$ 535</u>	<u>\$ 56</u>	<u>\$ (479)</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 64,400	\$ 88,785	\$ 24,385
Interest	200	2,016	1,816
<b>Total Revenue</b>	<b>64,600</b>	<b>90,801</b>	<b>26,201</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Works	86,600	35,811	50,789
Capital Outlay	60,000		60,000
<b>Total Expenditures</b>	<b>146,600</b>	<b>35,811</b>	<b>110,789</b>
<b>Net Change in Fund Balance</b>	<b>(82,000)</b>	<b>54,990</b>	<b>136,990</b>
<b>Fund Balance - July 1</b>	<b>221,189</b>	<b>221,189</b>	
<b>Fund Balance - June 30</b>	<b>\$ 139,189</b>	<b>\$ 276,179</b>	<b>\$ 136,990</b>

**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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 32,000	\$ 37,300	\$ 5,300
Interest	20	440	420
Total Revenue	<u>32,020</u>	<u>37,740</u>	<u>5,720</u>
Net Change in Fund Balance	32,020	37,740	5,720
Fund Balance - July 1	<u>44,315</u>	<u>44,315</u>	
Fund Balance - June 30	<u>\$ 76,335</u>	<u>\$ 82,055</u>	<u>\$ 5,720</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 884	\$ 784
Other	12,100	5,684	(6,416)
Total Revenue	<u>12,200</u>	<u>6,568</u>	<u>(5,632)</u>
Expenditures:			
Current:			
Community Development	54,000	41,263	12,737
Total Expenditures	<u>54,000</u>	<u>41,263</u>	<u>12,737</u>
Net Change in Fund Balance	(41,800)	(34,695)	7,105
Fund Balance - July 1	<u>4,168,431</u>	<u>4,168,431</u>	
Fund Balance - June 30	<u>\$ 4,126,631</u>	<u>\$ 4,133,736</u>	<u>\$ 7,105</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 1,400	\$ 2,863	\$ 1,463
Total Revenue	<u>1,400</u>	<u>2,863</u>	<u>1,463</u>
Expenditures:			
Current:			
Community Development	280,000		280,000
Total Expenditures	<u>280,000</u>		<u>280,000</u>
Net Change in Fund Balance	(278,600)	2,863	281,463
Fund Balance - July 1	<u>303,688</u>	<u>303,688</u>	
Fund Balance - June 30	<u>\$ 25,088</u>	<u>\$ 306,551</u>	<u>\$ 281,463</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,200	\$ 8,523	\$ 7,323
Interest	10	139	129
Total Revenue	<u>1,210</u>	<u>8,662</u>	<u>7,452</u>
Expenditures:			
Current:			
Community Development	6,000	7,364	(1,364)
Total Expenditures	<u>6,000</u>	<u>7,364</u>	<u>(1,364)</u>
Net Change in Fund Balance	(4,790)	1,298	6,088
Fund Balance - July 1	<u>12,954</u>	<u>12,954</u>	
Fund Balance - June 30	<u>\$ 8,164</u>	<u>\$ 14,252</u>	<u>\$ 6,088</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,000	\$ -	\$ (1,000)
Interest		46	46
Other	100		(100)
Total Revenue	<u>1,100</u>	<u>46</u>	<u>(1,054)</u>
Expenditures:			
Current:			
Parks and recreation	1,100		1,100
Total Expenditures	<u>1,100</u>		<u>1,100</u>
Net Change in Fund Balance		46	46
Fund Balance - July 1	<u>3,126</u>	<u>3,126</u>	
Fund Balance - June 30	<u>\$ 3,126</u>	<u>\$ 3,172</u>	<u>\$ 46</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 1,600	\$ 2,895	\$ 1,295
Total Revenue	<u>1,600</u>	<u>2,895</u>	<u>1,295</u>
Net Change in Fund Balance	1,600	2,895	1,295
Fund Balance - July 1	<u>307,131</u>	<u>307,131</u>	
Fund Balance - June 30	<u>\$ 308,731</u>	<u>\$ 310,026</u>	<u>\$ 1,295</u>

**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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
<b>Revenues:</b>			
Other	\$ 20,000	\$ 24,014	\$ 4,014
Total Revenue	<u>20,000</u>	<u>24,014</u>	<u>4,014</u>
<b>Expenditures:</b>			
Current:			
Parks and Recreation	20,000	38,444	(18,444)
Total Expenditures	<u>20,000</u>	<u>38,444</u>	<u>(18,444)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>                    </u>	<u>(14,430)</u>	<u>(14,430)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	<u>                    </u>	<u>65,000</u>	<u>65,000</u>
Total Other Financing Sources (Uses)	<u>                    </u>	<u>65,000</u>	<u>65,000</u>
Net Change in Fund Balance		50,570	50,570
Fund Balance (Deficit) - July 1	<u>(43,825)</u>	<u>(43,825)</u>	
Fund Balance (Deficit) - June 30	<u>\$ (43,825)</u>	<u>\$ 6,745</u>	<u>50570</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 70,000	\$ 16,761	\$ (53,239)
Interest	7,000	3,887	(3,113)
Total Revenue	<u>77,000</u>	<u>20,648</u>	<u>(56,352)</u>
Expenditures:			
Current:			
Public Safety	100,000	66,377	33,623
Capital Outlay	381,465	167,474	213,991
Total Expenditures	<u>481,465</u>	<u>233,851</u>	<u>247,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(404,465)</u>	<u>(213,203)</u>	<u>191,262</u>
Other Financing Sources (Uses):			
Transfers out	(62,367)	(62,366)	1
Total Other Financing Sources (Uses)	<u>(62,367)</u>	<u>(62,366)</u>	<u>1</u>
Net Change in Fund Balance	(466,832)	(275,569)	191,263
Fund Balance - July 1	<u>545,319</u>	<u>545,319</u>	
Fund Balance - June 30	<u>\$ 78,487</u>	<u>\$ 269,750</u>	<u>\$ 191,263</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,800,000	\$ 2,564,748	\$ (235,252)
Interest	25,000	51,243	26,243
Other		250,000	250,000
Total Revenue	<u>2,825,000</u>	<u>2,865,991</u>	<u>40,991</u>
<b>Expenditures:</b>			
Current:			
Public Works	112,500	104,132	8,368
Capital Outlay	3,210,000	1,813,724	1,396,276
Total Expenditures	<u>3,322,500</u>	<u>1,917,856</u>	<u>1,404,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(497,500)</u>	<u>948,135</u>	<u>1,445,635</u>
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(1,312,228)</u>	<u>(1,312,228)</u>	
Total Other Financing Sources (Uses)	<u>(1,312,228)</u>	<u>(1,312,228)</u>	
Net Change in Fund Balance	(1,809,728)	(364,093)	1,445,635
Fund Balance - July 1	<u>5,468,088</u>	<u>5,468,088</u>	
Fund Balance - June 30	<u>\$ 3,658,360</u>	<u>\$ 5,103,995</u>	<u>\$ 1,445,635</u>

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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 100	\$ -	\$ (100)
Total Revenue	<u>100</u>		<u>(100)</u>
Expenditures:			
Current:			
Community Development	6,000	5,657	343
Total Expenditures	<u>6,000</u>	<u>5,657</u>	<u>343</u>
Net Change in Fund Balance	(5,900)	(5,657)	243
Fund Balance - July 1	<u>4,351,099</u>	<u>4,351,099</u>	
Fund Balance - June 30	<u>\$ 4,345,199</u>	<u>\$ 4,345,442</u>	<u>\$ 243</u>

**CITY OF EL CENTRO**  
**OTS GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
 For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 67,483	\$ 70,986	\$ 3,503
Interest	60	201	141
Total Revenue	<u>67,543</u>	<u>71,187</u>	<u>3,644</u>
Expenditures:			
Current:			
Public Safety	67,483	45,945	21,538
Total Expenditures	<u>67,483</u>	<u>45,945</u>	<u>21,538</u>
Net Change in Fund Balance	60	25,242	25,182
Fund Balance - July 1	<u>14,461</u>	<u>14,461</u>	
Fund Balance - June 30	<u>\$ 14,521</u>	<u>\$ 39,703</u>	<u>\$ 25,182</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 100,000	\$ 89,762	\$ (10,238)
Interest	350	796	446
Total Revenue	<u>100,350</u>	<u>90,558</u>	<u>(9,792)</u>
Expenditures:			
Current:			
Public Safety	113,163	89,762	23,401
Total Expenditures	<u>113,163</u>	<u>89,762</u>	<u>23,401</u>
Net Change in Fund Balance	(12,813)	796	13,609
Fund Balance - July 1	<u>200,628</u>	<u>200,628</u>	
Fund Balance - June 30	<u><u>\$ 187,815</u></u>	<u><u>\$ 201,424</u></u>	<u><u>\$ 13,609</u></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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 550	\$ 1,008	\$ 458
Total Revenue	<u>550</u>	<u>1,008</u>	<u>458</u>
Net Change in Fund Balance	550	1,008	458
Fund Balance - July 1	<u>106,986</u>	<u>106,986</u>	
Fund Balance - June 30	<u>\$ 107,536</u>	<u>\$ 107,994</u>	<u>\$ 458</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 532,736	\$ 351,174	\$ (181,562)
Interest	3,000	5,857	2,857
Other		5,187	5,187
<b>Total Revenue</b>	<u>535,736</u>	<u>362,218</u>	<u>(173,518)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Community Development	337,070	201,563	135,507
Capital Outlay	195,666	100	195,566
<b>Total Expenditures</b>	<u>532,736</u>	<u>201,663</u>	<u>331,073</u>
<b>Net Change in Fund Balance</b>	3,000	160,555	157,555
<b>Fund Balance - July 1</b>	<u>1,335,859</u>	<u>1,335,859</u>	
<b>Fund Balance - June 30</b>	<u>\$ 1,338,859</u>	<u>\$ 1,496,414</u>	<u>\$ 157,555</u>

**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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
<b>Revenues:</b>			
Interest	\$ 500	\$ 2,019	\$ 1,519
Other	40,260	9,546	(30,714)
Total Revenue	<u>40,760</u>	<u>11,565</u>	<u>(29,195)</u>
<b>Expenditures:</b>			
Current:			
Community Development	4,754	4,754	
Capital Outlay	195,032	634	194,398
Total Expenditures	<u>199,786</u>	<u>5,388</u>	<u>194,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(159,026)</u>	<u>6,177</u>	<u>165,203</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	<u>                    </u>	<u>114,839</u>	<u>114,839</u>
Total Other Financing Sources (Uses)	<u>                    </u>	<u>114,839</u>	<u>114,839</u>
Net Change in Fund Balance	(159,026)	121,016	280,042
Fund Balance - July 1	<u>792,204</u>	<u>792,204</u>	<u>                    </u>
Fund Balance - June 30	<u>\$ 633,178</u>	<u>\$ 913,220</u>	<u>\$ 280,042</u>

**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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 1,000	\$ -	\$ (1,000)
Total Revenue	<u>1,000</u>		<u>(1,000)</u>
Expenditures:			
Current:			
Community Development	470,000	172	469,828
Total Expenditures	<u>470,000</u>	<u>172</u>	<u>469,828</u>
Net Change in Fund Balance	(469,000)	(172)	468,828
Fund Balance - July 1	<u>507,215</u>	<u>507,215</u>	
Fund Balance - June 30	<u>\$ 38,215</u>	<u>\$ 507,043</u>	<u>\$ 468,828</u>

**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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 120	\$ 484	\$ 364
Other		359	359
Total Revenue	<u>120</u>	<u>843</u>	<u>723</u>
Expenditures:			
Current:			
Community Development	51,650	48,078	3,572
Total Expenditures	<u>51,650</u>	<u>48,078</u>	<u>3,572</u>
Net Change in Fund Balance	(51,530)	(47,235)	4,295
Fund Balance - July 1	<u>1,036,210</u>	<u>1,036,210</u>	
Fund Balance - June 30	<u>\$ 984,680</u>	<u>\$ 988,975</u>	<u>\$ 4,295</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 616,385	\$ 205,042	\$ (411,343)
Interest	16,000	30,020	14,020
Total Revenue	<u>632,385</u>	<u>235,062</u>	<u>(397,323)</u>
Expenditures:			
Capital Outlay	900,000	6,166	893,834
Total Expenditures	<u>900,000</u>	<u>6,166</u>	<u>893,834</u>
Net Change in Fund Balance	(267,615)	228,896	496,511
Fund Balance - July 1	<u>2,521,976</u>	<u>2,521,976</u>	
Fund Balance - June 30	<u>\$ 2,254,361</u>	<u>\$ 2,750,872</u>	<u>\$ 496,511</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 300	\$ 580	\$ 280
Total Revenue	<u>300</u>	<u>580</u>	<u>280</u>
Net Change in Fund Balance	300	580	280
Fund Balance - July 1	<u>61,498</u>	<u>61,498</u>	
Fund Balance - June 30	<u>\$ 61,798</u>	<u>\$ 62,078</u>	<u>\$ 280</u>

**CITY OF EL CENTRO**  
**TOWN CENTER LIGHTING AND LANDSCAPE DISTRICT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
 For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Taxes	\$ -	\$ 23,371	\$ 23,371
Interest	25	92	67
Total Revenue	<u>25</u>	<u>23,463</u>	<u>23,438</u>
Expenditures:			
Current:			
Public Works	<u>3,500</u>	<u>3,051</u>	<u>449</u>
Total Expenditures	<u>3,500</u>	<u>3,051</u>	<u>449</u>
Net Change in Fund Balance	(3,475)	20,412	23,887
Fund Balance - July 1	<u>38</u>	<u>38</u>	
Fund Balance - June 30	<u>\$ (3,437)</u>	<u>\$ 20,450</u>	<u>\$ 23,887</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 3,100	\$ 5,572	\$ 2,472
Total Revenue	<u>3,100</u>	<u>5,572</u>	<u>2,472</u>
Net Change in Fund Balance	3,100	5,572	2,472
Fund Balance - July 1	<u>103,906</u>	<u>103,906</u>	
Fund Balance - June 30	<u>\$ 107,006</u>	<u>\$ 109,478</u>	<u>\$ 2,472</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 5,500	\$ 3,416	\$ (2,084)
Interest	400	1,204	804
Total Revenue	<u>5,900</u>	<u>4,620</u>	<u>(1,280)</u>
Expenditures:			
Current:			
Community Development	300	39,983	(39,683)
Total Expenditures	<u>300</u>	<u>39,983</u>	<u>(39,683)</u>
Net Change in Fund Balance	5,600	(35,363)	(40,963)
Fund Balance - July 1	<u>138,733</u>	<u>138,733</u>	
Fund Balance - June 30	<u>\$ 144,333</u>	<u>\$ 103,370</u>	<u>\$ (40,963)</u>

**CITY OF EL CENTRO**  
**POLICE & FIRE MITIGATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
 For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 2,000	\$ 4,168	\$ 2,168
Total Revenue	<u>2,000</u>	<u>4,168</u>	<u>2,168</u>
Net Change in Fund Balance	2,000	4,168	2,168
Fund Balance - July 1	<u>442,218</u>	<u>442,218</u>	<u>          </u>
Fund Balance - June 30	<u><u>\$ 444,218</u></u>	<u><u>\$ 446,386</u></u>	<u><u>\$ 2,168</u></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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Taxes	\$ 7,150	\$ 7,125	\$ (25)
Interest	900	1,480	580
Total Revenue	<u>8,050</u>	<u>8,605</u>	<u>555</u>
Expenditures:			
Current:			
Community Development	39,000	27,860	11,140
Total Expenditures	<u>39,000</u>	<u>27,860</u>	<u>11,140</u>
Excess (Deficiency) of Revenues Over (Under)	<u>(30,950)</u>	<u>(19,255)</u>	<u>11,695</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(31,500)</u>		<u>31,500</u>
Total Other Financing Sources (Uses)	<u>(31,500)</u>		<u>31,500</u>
Net Change in Fund Balance	(62,450)	(19,255)	43,195
Fund Balance - July 1	<u>181,281</u>	<u>181,281</u>	
Fund Balance - June 30	<u>\$ 118,831</u>	<u>\$ 162,026</u>	<u>\$ 43,195</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 350	\$ 644	\$ 294
Total Revenue	<u>350</u>	<u>644</u>	<u>294</u>
Expenditures:			
Current:			
Community Development	1,000		1,000
Total Expenditures	<u>1,000</u>		<u>1,000</u>
Net Change in Fund Balance	(650)	644	1,294
Fund Balance - July 1	<u>6,477</u>	<u>6,477</u>	
Fund Balance - June 30	<u>\$ 5,827</u>	<u>\$ 7,121</u>	<u>\$ 1,294</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 950	\$ 1,964	\$ 1,014
Total Revenue	<u>950</u>	<u>1,964</u>	<u>1,014</u>
Net Change in Fund Balance	950	1,964	1,014
Fund Balance - July 1	<u>208,399</u>	<u>208,399</u>	
Fund Balance - June 30	<u><u>\$ 209,349</u></u>	<u><u>\$ 210,363</u></u>	<u><u>\$ 1,014</u></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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Other	\$ 3,200	\$ 5,395	\$ 2,195
Total Revenues	<u>3,200</u>	<u>5,395</u>	<u>2,195</u>
Net Changes in Fund Balance	3,200	5,395	2,195
Fund Balance - July 1	<u>67,540</u>	<u>67,540</u>	
Fund Balance - June 30	<u><u>\$ 70,740</u></u>	<u><u>\$ 72,935</u></u>	<u><u>\$ 2,195</u></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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 102,393	\$ 153,739	\$ 51,346
Interest		75	75
Total Revenues	<u>102,393</u>	<u>153,814</u>	<u>51,421</u>
Expenditures:			
Current:			
Public Safety	71,652	104,772	(33,120)
Capital Outlay	30,741	24,428	6,313
Total Expenditures	<u>102,393</u>	<u>129,200</u>	<u>(26,807)</u>
Net Changes in Fund Balance		24,614	24,614
Fund Balance - July 1	<u>22,797</u>	<u>22,797</u>	
Fund Balance - June 30	<u>\$ 22,797</u>	<u>\$ 47,411</u>	<u>\$ 24,614</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Other	\$ 12,600	\$ -	\$ (12,600)
Total Revenues	<u>12,600</u>		<u>(12,600)</u>
Expenditures:			
Current:			
Community Development	<u>17,000</u>	<u>16,929</u>	<u>71</u>
Total Expenditures	<u>17,000</u>	<u>16,929</u>	<u>71</u>
Net Changes in Fund Balance	(4,400)	(16,929)	(12,529)
Fund Balance - July 1	<u>5,169,411</u>	<u>5,169,411</u>	
Fund Balance - June 30	<u>\$ 5,165,011</u>	<u>\$ 5,152,482</u>	<u>\$ (12,529)</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ -	\$ 18	\$ 18
Total Revenues	<u>          </u>	<u>18</u>	<u>18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>          </u>	<u>18</u>	<u>18</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(8,842)</u>	<u>(8,999)</u>	<u>(157)</u>
Total Other Financing Sources (Uses)	<u>(8,842)</u>	<u>(8,999)</u>	<u>(157)</u>
Net Changes in Fund Balance	(8,842)	(8,981)	(139)
Fund Balance - July 1	<u>8,998</u>	<u>8,998</u>	<u>          </u>
Fund Balance - June 30	<u>\$ 156</u>	<u>\$ 17</u>	<u>\$ (139)</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 1,200	\$ 2,140	\$ 940
Total Revenues	<u>1,200</u>	<u>2,140</u>	<u>940</u>
Net Change in Fund Balance	1,200	2,140	940
Fund Balance - July 1	<u>233,393</u>	<u>233,393</u>	
Fund Balance - June 30	<u>\$ 234,593</u>	<u>\$ 235,533</u>	<u>\$ 940</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 2,000	\$ 4,859	\$ 2,859
Total Revenues	<u>2,000</u>	<u>4,859</u>	<u>2,859</u>
Expenditures:			
Capital Outlay	517,000	37,095	479,905
Total Expenditures	<u>517,000</u>	<u>37,095</u>	<u>479,905</u>
Net Change in Fund Balance	2,000	(32,236)	2,859
Fund Balance - July 1	<u>520,466</u>	<u>520,466</u>	
Fund Balance - June 30	<u>\$ 522,466</u>	<u>\$ 488,230</u>	<u>\$ 2,859</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 1,800	\$ 3,031	\$ 1,231
Total Revenues	<u>1,800</u>	<u>3,031</u>	<u>1,231</u>
Expenditures:			
Capital Outlay	100,000	102,752	(2,752)
Total Expenditures	<u>100,000</u>	<u>102,752</u>	<u>(2,752)</u>
Net Change in Fund Balance	(98,200)	(99,721)	(1,521)
Fund Balance - July 1	<u>342,197</u>	<u>342,197</u>	
Fund Balance - June 30	<u>\$ 243,997</u>	<u>\$ 242,476</u>	<u>\$ (1,521)</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 1,800	\$ 3,457	\$ 1,657
Total Revenues	<u>1,800</u>	<u>3,457</u>	<u>1,657</u>
Net Change in Fund Balance	1,800	3,457	1,657
Fund Balance - July 1	<u>50,711</u>	<u>50,711</u>	
Fund Balance - June 30	<u><u>\$ 52,511</u></u>	<u><u>\$ 54,168</u></u>	<u><u>\$ 1,657</u></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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 800	\$ 1,552	\$ 752
Total Revenues	<u>800</u>	<u>1,552</u>	<u>752</u>
Net Change in Fund Balance	800	1,552	752
Fund Balance - July 1	<u>26,014</u>	<u>26,014</u>	
Fund Balance - June 30	<u>\$ 26,814</u>	<u>\$ 27,566</u>	<u>\$ 752</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 90	\$ 209	\$ 119
Total Revenues	<u>90</u>	<u>209</u>	<u>119</u>
Net Change in Fund Balance	90	209	119
Fund Balance - July 1	<u>3,399</u>	<u>3,399</u>	
Fund Balance - June 30	<u><u>\$ 3,489</u></u>	<u><u>\$ 3,608</u></u>	<u><u>\$ 119</u></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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 20,000	\$ 40,569	\$ 20,569
Total Revenues	<u>20,000</u>	<u>40,569</u>	<u>20,569</u>
Expenditures:			
Capital Outlay		420,000	(420,000)
Total Expenditures		<u>420,000</u>	<u>(420,000)</u>
Net Change in Fund Balance	20,000	(379,431)	(399,431)
Fund Balance - July 1	<u>475,679</u>	<u>475,679</u>	
Fund Balance - June 30	<u>\$ 495,679</u>	<u>\$ 96,248</u>	<u>\$ (399,431)</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,909,000	\$ 1,791,394	\$ (117,606)
Interest		245	245
Total Revenues	<u>1,909,000</u>	<u>1,791,639</u>	<u>(117,361)</u>
Expenditures:			
Capital Outlay	<u>1,909,000</u>	<u>1,791,394</u>	<u>117,606</u>
Total Expenditures	<u>1,909,000</u>	<u>1,791,394</u>	<u>117,606</u>
Net Change in Fund Balance		245	245
Fund Balance - July 1	<u>91,430</u>	<u>91,430</u>	
Fund Balance - June 30	<u>\$ 91,430</u>	<u>\$ 91,675</u>	<u>\$ 245</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 40	\$ 1,246	\$ 1,206
Total Revenues	<u>40</u>	<u>1,246</u>	<u>1,206</u>
Net Change in Fund Balance	40	1,246	1,206
Fund Balance - July 1	<u>7,624</u>	<u>7,624</u>	
Fund Balance - June 30	<u>\$ 7,664</u>	<u>\$ 8,870</u>	<u>\$ 1,206</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 100	\$ 183	\$ 83
Total Revenues	<u>100</u>	<u>183</u>	<u>83</u>
Net Change in Fund Balance	100	183	83
Fund Balance - July 1	<u>19,433</u>	<u>19,433</u>	
Fund Balance - June 30	<u>\$ 19,533</u>	<u>\$ 19,616</u>	<u>\$ 83</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 280,000	\$ 272,333	\$ (7,667)
Interest	30,000	55,122	25,122
Total Revenues	<u>310,000</u>	<u>327,455</u>	<u>17,455</u>
Expenditures:			
Current:			
Public Works	8,800	7,450	1,350
Capital Outlay	3,200,000	427,004	2,772,996
Total Expenditures	<u>3,208,800</u>	<u>434,454</u>	<u>2,774,346</u>
Net Change in Fund Balance	(2,898,800)	(106,999)	2,791,801
Fund Balance - July 1	<u>3,899,822</u>	<u>3,899,822</u>	
Fund Balance - June 30	<u>\$ 1,001,022</u>	<u>\$ 3,792,823</u>	<u>\$ 2,791,801</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Taxes	\$ 4,650	\$ 4,049	\$ (601)
Interest	1,200	2,450	1,250
Total Revenues	<u>5,850</u>	<u>6,499</u>	<u>649</u>
Expenditures:			
Current:			
Community Development	29,700	18,961	10,739
Total Expenditures	<u>29,700</u>	<u>18,961</u>	<u>10,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,850)</u>	<u>(12,462)</u>	<u>11,388</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(28,000)</u>		<u>28,000</u>
Total Other Financing Sources (Uses)	<u>(28,000)</u>		<u>28,000</u>
Net Change in Fund Balance	(51,850)	(12,462)	39,388
Fund Balance - July 1	<u>278,033</u>	<u>278,033</u>	
Fund Balance - June 30	<u>\$ 226,183</u>	<u>\$ 265,571</u>	<u>\$ 39,388</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 6,500	\$ 6,841	\$ 341
Total Revenues	<u>6,500</u>	<u>6,841</u>	<u>341</u>
Net Change in Fund Balance	6,500	6,841	341
Fund Balance - July 1	<u>21,232</u>	<u>21,232</u>	
Fund Balance - June 30	<u>\$ 27,732</u>	<u>\$ 28,073</u>	<u>\$ 341</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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 4,000	\$ 26,856	\$ 22,856
Total Revenues	<u>4,000</u>	<u>26,856</u>	<u>22,856</u>
Expenditures:			
Current:			
Community Development	4,000		4,000
Capital Outlay	5,450,000		5,450,000
Total Expenditures	<u>5,454,000</u>		<u>5,454,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,450,000)</u>	<u>26,856</u>	<u>(5,431,144)</u>
Other Financing Sources (Uses)			
Transfers In		327	327
Total Other Financing Sources (Uses)		<u>327</u>	<u>327</u>
Net Change in Fund Balance	(5,450,000)	27,183	5,477,183
Fund Balance - July 1	<u>9,541,866</u>	<u>9,541,866</u>	
Fund Balance - June 30	<u>\$ 4,091,866</u>	<u>\$ 9,569,049</u>	<u>\$ 5,477,183</u>

**CITY OF EL CENTRO**  
**2011 A & B PROJECTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 32,000	\$ 57,241	\$ 25,241
Total Revenues	32,000	57,241	25,241
Net Changes in Fund Balances	32,000	57,241	25,241
Fund Balance - July 1	6,072,730	6,072,730	
Fund Balance - June 30	\$ 6,104,730	\$ 6,129,971	\$ 25,241



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, 2017

	Final Budget	Actual Amount	Variance Positive (Negative)
Revenues:			
Interest	\$ 15,000	\$ 15,719	\$ 719
Total Revenues	<u>15,000</u>	<u>15,719</u>	<u>719</u>
Expenditures:			
Debt Service:			
Principal	444,034	444,033	1
Interest and Fiscal Charges	907,561	907,561	
Total Expenditures	<u>1,351,595</u>	<u>1,351,594</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,336,595)</u>	<u>(1,335,875)</u>	<u>720</u>
Other Financing Sources (Uses)			
Transfers In	1,351,595	1,351,594	(1)
Total Other Financing Sources (Uses)	<u>1,351,595</u>	<u>1,351,594</u>	<u>(1)</u>
Net Change in Fund Balance	15,000	15,719	719
Fund Balance - July 1	<u>1,501,966</u>	<u>1,501,966</u>	
Fund Balance - June 30	<u>\$ 1,516,966</u>	<u>\$ 1,517,685</u>	<u>\$ 719</u>

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# COMBINING STATEMENTS NONMAJOR PROPRIETARY FUNDS

## PROPRIETARY FUNDS

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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.

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**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, 2017

	<u>Transit</u>	<u>Solid Waste</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Investments	\$ 272,552	\$ -	\$ 272,552
Receivables			
Accounts Receivable (Net of Allowance for Uncollectibles)		597,878	597,878
Interest Receivable	198	345	543
Total Current Assets	<u>272,750</u>	<u>598,223</u>	<u>870,973</u>
Total Assets	<u>272,750</u>	<u>598,223</u>	<u>870,973</u>
Liabilities:			
Current Liabilities:			
Accounts Payable		265,472	265,472
Due to Other Funds		218,131	218,131
Deposits Payable		72,000	72,000
Total Current Liabilities		<u>555,603</u>	<u>555,603</u>
Total Liabilities		<u>555,603</u>	<u>555,603</u>
Net Position:			
Unrestricted	<u>272,750</u>	<u>42,620</u>	<u>315,370</u>
Net Position	<u>\$ 272,750</u>	<u>\$ 42,620</u>	<u>\$ 315,370</u>

CITY OF EL CENTRO  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2017

	Transit	Solid Waste	Totals
Operating Revenues			
Charges for Services	\$ -	\$ 1,862,447	\$ 1,862,447
Total Operating Revenues	<u>-</u>	<u>1,862,447</u>	<u>1,862,447</u>
Operating Expenses			
Supplies and Services		1,671,055	1,671,055
General and Administrative		184,052	184,052
Total Operating Expenses		<u>1,855,107</u>	<u>1,855,107</u>
Operating Income (Loss)		<u>7,340</u>	<u>7,340</u>
Non-Operating Revenue (Expenses)			
Interest Revenue	<u>2,699</u>	<u>1,083</u>	<u>3,782</u>
Total Non-Operating Revenue (Expenses)	<u>2,699</u>	<u>1,083</u>	<u>3,782</u>
Changes in Net Position	2,699	8,423	11,122
Net Position - Beginning of Fiscal Year	<u>270,051</u>	<u>34,197</u>	<u>304,248</u>
Net Position - End of Fiscal Year	<u>\$ 272,750</u>	<u>\$ 42,620</u>	<u>\$ 315,370</u>

CITY OF EL CENTRO  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2017

	<u>Transit</u>	<u>Solid Waste</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Users	\$ -	\$ 1,562,950	\$ 1,562,950
Cash Payments to Suppliers and Contractors	(187,588)	(1,631,009)	(1,818,597)
Cash Payments for General and Administrative Expenses		(184,052)	(184,052)
Net Cash Provided (Used) By Operating Activities	<u>(187,588)</u>	<u>(252,111)</u>	<u>(439,699)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Receipts for Interfund Borrowing		17,566	17,566
Net Cash Provided (Used) By Noncapital Financing Activities		<u>17,566</u>	<u>17,566</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	2,699	1,083	3,782
Net Cash Provided (Used) in Investing Activities	<u>2,699</u>	<u>1,083</u>	<u>3,782</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(184,889)	(233,462)	(418,351)
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>457,441</u>	<u>233,462</u>	<u>690,903</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 272,552</u>	<u>\$ -</u>	<u>\$ 272,552</u>
Reconciliation to Statement of Net Position:			
Cash and Cash Equivalents	<u>\$ 272,552</u>	<u>\$ -</u>	<u>\$ 272,552</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ -	\$ 7,340	\$ 7,340
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable		(299,497)	(299,497)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(187,588)	40,046	(147,542)
Total Adjustments	<u>(187,588)</u>	<u>(259,451)</u>	<u>(447,039)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (187,588)</u>	<u>\$ (252,111)</u>	<u>\$ (439,699)</u>

## INTERNAL SERVICE FUNDS

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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.

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**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, 2017

	Workers' Compensation	Post Employment Benefits	Group Health Insurance	Motor Vehicle	Totals
ASSETS AND DEFERRED OUTFLOW OF RESOURCES:					
Assets:					
Cash and Investments	\$ 2,912,534	\$ 1,194,684	\$ 3,600,489	\$ 265,380	\$ 7,973,087
Account Receivable			147,256		147,256
Other Receivable					
Interest Receivable	5,027	1,847	2,765	406	10,045
Total Assets	<u>2,917,561</u>	<u>1,196,531</u>	<u>3,750,510</u>	<u>265,786</u>	<u>8,130,388</u>
Deferred outflow of resources:					
Pension				129,489	129,489
Total Deferred Outflow of Resources				<u>129,489</u>	<u>129,489</u>
LIABILITIES AND DEFERRED INFLOW OF RESOURCES:					
Liabilities:					
Accounts Payable	106,696		308,279	17,955	432,930
Unearned revenue			147,256		147,256
Salaries/Benefits Payable				7,540	7,540
Net Pension Liability				273,365	273,365
Total Liabilities	<u>106,696</u>		<u>455,535</u>	<u>298,860</u>	<u>861,091</u>
Deferred inflow of resources:					
Pension				57,382	57,382
Total Deferred Inflow of Resources				<u>57,382</u>	<u>57,382</u>
NET POSITION					
Unrestricted	<u>2,810,865</u>	<u>1,196,531</u>	<u>3,294,975</u>	<u>39,033</u>	<u>7,341,404</u>
Net Position	<u>\$ 2,810,865</u>	<u>\$ 1,196,531</u>	<u>\$ 3,294,975</u>	<u>\$ 39,033</u>	<u>\$ 7,341,404</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, 2017

	Workers' Compensation	Post Employment Benefits	Group Health Insurance	Motor Vehicle	Totals
Operating Revenues:					
Charges for Services	\$ 1,042,118	\$ 333,559	\$ 3,444,335	\$ 420,000	\$ 5,240,012
Other	47,546		331,873		379,419
<b>Total Operating Revenues</b>	<b>1,089,664</b>	<b>333,559</b>	<b>3,776,208</b>	<b>420,000</b>	<b>5,619,431</b>
Operating Expenses:					
Personnel Services		496,207		240,017	736,224
Supplies and Services	1,570,102	91,497	3,230,760	188,739	5,081,098
<b>Total Operating Expenses</b>	<b>1,570,102</b>	<b>587,704</b>	<b>3,230,760</b>	<b>428,756</b>	<b>5,817,322</b>
<b>Operating Income (Loss)</b>	<b>(480,438)</b>	<b>(254,145)</b>	<b>545,448</b>	<b>(8,756)</b>	<b>(197,891)</b>
Non-Operating Revenue:					
Interest Revenue	23,232	13,415	29,331	2,145	68,123
<b>Total Non-Operating Revenue</b>	<b>23,232</b>	<b>13,415</b>	<b>29,331</b>	<b>2,145</b>	<b>68,123</b>
<b>Change in Net Position</b>	<b>(457,206)</b>	<b>(240,730)</b>	<b>574,779</b>	<b>(6,611)</b>	<b>(129,768)</b>
Net Position - Beginning of Fiscal Year	3,264,607	1,437,261	2,723,660	45,644	7,471,172
Prior Period Adjustment	3,464		(3,464)		
Net Position - Beginning of Fiscal Year, Restated	3,268,071	1,437,261	2,720,196	45,644	7,471,172
<b>Net Position - End of Fiscal Year</b>	<b>\$ 2,810,865</b>	<b>\$ 1,196,531</b>	<b>\$ 3,294,975</b>	<b>\$ 39,033</b>	<b>\$ 7,341,404</b>

**CITY OF EL CENTRO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2017**

	Workers' Compensation	Post Employment Benefits	Group Health Insurance	Motor Vehicle	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Users	\$ 1,089,664	\$ 333,559	\$ 4,011,646	\$ 420,000	\$ 5,854,869
Cash Payments to Suppliers and Contractors	(1,582,592)	(91,497)	(3,156,734)	(178,402)	(5,009,225)
Cash Payments for Employees and Benefit Programs		(496,207)		(267,185)	(763,392)
Net Cash Provided (Used) By Operating Activities	<u>(492,928)</u>	<u>(254,145)</u>	<u>854,912</u>	<u>(25,587)</u>	<u>82,252</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Received	26,696	13,415	29,331	2,146	71,588
Net Cash Provided (Used) In Investing Activities	<u>26,696</u>	<u>13,415</u>	<u>29,331</u>	<u>2,146</u>	<u>71,588</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(466,232)	(240,730)	884,243	(23,441)	153,840
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR</b>	<u>3,378,766</u>	<u>1,435,414</u>	<u>2,716,246</u>	<u>288,821</u>	<u>7,819,247</u>
<b>CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR</b>	<u>\$ 2,912,534</u>	<u>\$ 1,194,684</u>	<u>\$ 3,600,489</u>	<u>\$ 265,380</u>	<u>\$ 7,973,087</u>
<b>Reconciliation with Statement of Net Position</b>					
Cash and Investments	\$ 2,912,534	\$ 1,194,684	\$ 3,600,489	\$ 265,380	\$ 7,973,087
<b>CASH AND CASH EQUIVALENTS</b>	<u>\$ 2,912,534</u>	<u>\$ 1,194,684</u>	<u>\$ 3,600,489</u>	<u>\$ 265,380</u>	<u>\$ 7,973,087</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	\$ (480,438)	\$ (254,145)	\$ 545,448	\$ (8,756)	\$ (197,891)
<b>Changes in Assets and Liabilities:</b>					
(Increase) Decrease in Receivables			235,438		235,438
Increase (Decrease) Accounts Payable and Accrued Liabilities	(12,490)		74,026	(10,667)	50,869
Increase (decrease) in net pension liability				(6,164)	(6,164)
Total Adjustments	<u>(12,490)</u>		<u>309,464</u>	<u>(16,831)</u>	<u>280,143</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (492,928)</u>	<u>\$ (254,145)</u>	<u>\$ 854,912</u>	<u>\$ (25,587)</u>	<u>\$ 82,252</u>

## FIDUCIARY FUNDS

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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.

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### 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, 2017

	Successor Agency Administration	Successor Agency Capital Project	Successor Agency Debt Service	Successor Agency Revolving Loan	Totals
<b>Assets:</b>					
Cash and Investments	\$ 177,257	\$ 23,830	\$ 2,281,932	\$ 384	\$ 2,483,403
Cash and Investments with Fiscal Agent, Restricted		2,966,522	2,667,033		5,633,555
Interest Receivable	66		232	44	342
Notes Receivable				69,498	69,498
Other Receivable				1,295	1,295
Advances to City of El Centro		9,413,455			9,413,455
Discount for advances to City of El Centro		966,903			966,903
Capital Assets, Not Being Depreciated		7,087,620			7,087,620
Capital Assets, Net of Accumulated Depreciation		13,366,467			13,366,467
<b>Total Assets</b>	<u>177,323</u>	<u>33,824,797</u>	<u>4,949,197</u>	<u>71,221</u>	<u>39,022,538</u>
<b>Liabilities:</b>					
Accounts Payable	14,024	38,584			52,608
Salaries/Benefits Payable	2,850				2,850
Interest Payable			290,121		290,121
Noncurrent Liabilities:					
Due within One Year			1,579,915		1,579,915
Due in More than One Year			31,343,435		31,343,435
<b>Total Liabilities</b>	<u>16,874</u>	<u>38,584</u>	<u>33,213,471</u>		<u>33,268,929</u>
<b>Net Position:</b>					
Unrestricted	160,449	33,786,213	(28,264,274)	71,221	5,753,609
<b>Total Net Position (Deficit)</b>	<u>\$ 160,449</u>	<u>\$ 33,786,213</u>	<u>\$ (28,264,274)</u>	<u>\$ 71,221</u>	<u>\$ 5,753,609</u>

**CITY OF EL CENTRO**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
For the Fiscal Year Ended June 30, 2017

	Successor Agency Administration	Successor Agency Capital Project	Successor Agency Debt Service	Successor Agency Revolving Loan	Totals
<b>Additions:</b>					
Investment Revenue	\$ 961	\$ -	\$ 32,150	\$ 264	\$ 33,375
Intergovernmental	2,690,992			39,420	2,730,412
Property Taxes			3,116,743		3,116,743
Total Additions	<u>2,691,953</u>	<u></u>	<u>3,148,893</u>	<u>39,684</u>	<u>5,880,530</u>
<b>Deductions:</b>					
Administration	2,440,992				2,440,992
Community Development	126,651	2,730		2,594	131,975
Depreciation		571,104			571,104
Interest Expense		104,997	1,681,228		1,786,225
Total Deductions	<u>2,567,643</u>	<u>678,831</u>	<u>1,681,228</u>	<u>2,594</u>	<u>4,930,296</u>
Excess (Deficiency) of Additions Over (Under) Deletions	<u>124,310</u>	<u>(678,831)</u>	<u>1,467,665</u>	<u>37,090</u>	<u>950,234</u>
<b>Other Financing Sources (Uses):</b>					
Contribution to City	(759)				(759)
Total Other Financing Sources (Uses)	<u>(759)</u>				<u>(759)</u>
Change in Net Position	<u>123,551</u>	<u>(678,831)</u>	<u>1,467,665</u>	<u>37,090</u>	<u>949,475</u>
Net Position (Deficit), July 1	36,898	33,967,895	(29,731,939)	34,131	4,306,985
Prior Period Adjustments		497,149			497,149
Net Position (Deficit), July 1 Restated	<u>36,898</u>	<u>34,465,044</u>	<u>(29,731,939)</u>	<u>34,131</u>	<u>4,804,134</u>
Net Position (Deficit), June 30	<u>\$ 160,449</u>	<u>\$ 33,786,213</u>	<u>\$ (28,264,274)</u>	<u>\$ 71,221</u>	<u>\$ 5,753,609</u>

**CITY OF EL CENTRO**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
For the Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>LEGACY RANCH CFD</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 104,604	\$ -	\$ 31,813	\$ 72,791
Cash and Investments with Fiscal Agent	140,676	226		140,902
Taxes Receivable	27	32,183		32,210
Interest Receivable	92			92
Total Assets	<u>\$ 245,399</u>	<u>\$ 32,409</u>	<u>\$ 31,813</u>	<u>\$ 245,995</u>
<b>LIABILITIES</b>				
Deposits Payable	\$ 6,808	\$ 6,706	\$ 6,706	\$ 6,808
Due to Bondholders	238,591	25,703	25,107	239,187
Total Liabilities	<u>\$ 245,399</u>	<u>\$ 32,409</u>	<u>\$ 31,813</u>	<u>\$ 245,995</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$57,566,767	\$56,294,632	\$70,520,225	\$80,273,979	\$75,589,062	\$79,208,418	\$80,842,072	\$78,942,143	\$78,819,026	\$75,890,314
Restricted	58,137,871	63,571,786	41,225,983	47,896,901	47,900,194	46,249,862	45,804,312	44,253,527	41,186,047	39,896,490
Unrestricted	8,367,919	10,662,812	31,497,877	19,551,306	17,675,436	15,377,332	19,252,947	(5,132,864)	(2,041,415)	1,171,704
<b>Total Governmental Activities Net Position</b>	<b>124,072,557</b>	<b>130,529,230</b>	<b>143,244,085</b>	<b>147,722,186</b>	<b>141,164,692</b>	<b>140,835,612</b>	<b>145,899,331</b>	<b>118,062,806</b>	<b>117,963,658</b>	<b>116,958,508</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	45,118,649	42,269,911	35,257,570	36,280,810	42,634,667	37,066,118	39,558,204	44,193,034	26,493,221	51,055,961
Restricted	7,697,555	7,752,240	7,699,379	7,861,774	6,582,559	6,674,927	6,730,642	6,851,721	6,930,565	6,384,134
Unrestricted	26,600,045	35,624,898	49,575,758	54,273,032	61,899,630	71,903,606	73,181,202	50,350,649	73,625,255	41,274,763
<b>Total Business-Type Activities Net Position</b>	<b>79,416,249</b>	<b>85,647,049</b>	<b>92,532,707</b>	<b>98,415,616</b>	<b>111,116,856</b>	<b>115,644,651</b>	<b>119,470,048</b>	<b>101,395,404</b>	<b>107,049,041</b>	<b>98,714,858</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	102,685,416	98,564,543	105,777,795	116,554,789	118,223,729	116,274,536	120,400,276	123,135,177	105,312,247	126,946,275
Restricted	65,835,426	71,324,026	48,925,362	55,758,675	54,482,753	52,924,789	52,534,954	51,105,248	48,116,612	46,280,624
Unrestricted	34,967,964	46,287,710	81,073,635	73,824,338	79,575,066	87,280,938	92,434,149	45,217,785	71,583,840	42,446,467
<b>Total Primary Government Net Position</b>	<b>\$203,488,806</b>	<b>\$216,176,279</b>	<b>\$235,776,792</b>	<b>\$246,137,802</b>	<b>\$252,281,548</b>	<b>\$256,480,263</b>	<b>\$265,369,379</b>	<b>\$219,458,210</b>	<b>\$225,012,699</b>	<b>\$215,673,366</b>

Source: City of El Centro Finance Department

**CITY OF EL CENTRO  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

Page 1 of 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$3,105,885	\$3,078,888	\$2,606,739	\$3,319,001	\$3,784,511	\$2,697,357	\$2,754,215	\$2,814,460	\$3,189,318	\$3,260,008
Public Protection	15,709,050	15,437,278	15,886,783	15,694,697	14,771,179	13,500,334	13,702,504	14,821,027	15,991,970	16,549,335
Community Development	3,745,060	2,641,010	7,597,064	5,463,849	6,138,138	7,740,525	5,368,816	5,914,348	4,904,923	5,045,345
Public Works	6,401,722	5,294,860	5,650,308	5,911,481	5,296,310	5,845,493	5,552,867	4,107,228	4,166,861	4,374,882
Parks and Recreation	3,027,847	4,985,269	3,148,584	3,169,837	3,071,913	2,941,013	3,377,770	4,214,952	4,294,769	4,353,867
Interest on Long-Term Debt	1,970,229	2,508,942	3,558,649	4,180,951	3,256,048	1,653,023	1,155,173	1,372,677	1,311,227	1,035,446
<b>Total Governmental Activities Expenses</b>	<b>33,959,793</b>	<b>33,946,247</b>	<b>38,448,127</b>	<b>37,739,816</b>	<b>36,318,099</b>	<b>34,377,745</b>	<b>31,911,345</b>	<b>33,244,692</b>	<b>33,859,068</b>	<b>34,618,883</b>
<b>Business-Type Activities</b>										
Water	7,123,415	8,008,232	8,334,638	8,373,968	8,264,815	8,270,456	7,889,026	7,703,001	7,835,221	8,085,191
Wastewater	7,220,805	7,499,465	7,359,109	7,505,317	7,845,792	7,485,992	7,784,150	7,963,730	7,416,154	7,744,111
Hospital	81,947,795	91,148,549	101,101,558	112,030,838	123,010,972	123,087,439	123,534,326	123,935,509	130,184,797	143,495,890
Transit	227,407	223,058	205,103	181,972	211,598	356,984	391,240	428,536	441,838	0
Solid Waste	3,690,879	1,871,739	1,579,127	1,821,142	1,831,381	1,741,891	1,782,315	1,824,911	1,816,363	1,855,107
<b>Total Business-Type Activities Expenses</b>	<b>100,210,301</b>	<b>108,751,043</b>	<b>118,579,535</b>	<b>129,913,237</b>	<b>141,164,558</b>	<b>140,942,762</b>	<b>141,381,057</b>	<b>141,855,687</b>	<b>147,694,373</b>	<b>161,180,299</b>
<b>Total Primary Government Net Expenses</b>	<b>\$134,170,094</b>	<b>\$142,697,290</b>	<b>\$157,027,662</b>	<b>\$167,653,053</b>	<b>\$177,482,657</b>	<b>\$175,320,507</b>	<b>\$173,292,402</b>	<b>\$175,100,379</b>	<b>\$181,553,441</b>	<b>\$195,799,182</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	\$323,057	\$42,040	\$20,865	\$14,710	\$538,072	\$501,117	\$546,723	\$671,937	\$550,744	\$539,224
Public Protection	1,337,987	971,735	1,542,554	623,511	489,902	436,624	394,565	388,716	395,876	409,253
Community Development	1,432,847	542,958	383,973	707,417	582,900	443,626	548,054	549,694	533,237	511,977
Public Works	87,305	25,222	-	25,140	46,475	40,420	14,665	24,738	18,582	18,855
Parks and Recreation	103,138	123,396	141,894	130,407	108,676	106,267	133,327	148,347	397,040	186,582
Operating Contributions and Grants	7,614,490	6,837,298	3,294,055	4,581,713	4,729,860	6,330,950	5,053,349	3,770,930	4,307,685	3,075,687
Capital Contributions and Grants	9,952,116	1,570,007	16,769,881	8,238,107	8,945,384	14,465,302	10,655,687	6,632,032	6,290,390	5,962,819
<b>Total Governmental Activities Program Revenues</b>	<b>20,850,940</b>	<b>10,112,656</b>	<b>22,153,222</b>	<b>14,321,005</b>	<b>15,441,269</b>	<b>22,324,306</b>	<b>17,346,370</b>	<b>12,186,394</b>	<b>12,493,554</b>	<b>10,704,397</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Water	7,045,506	8,060,343	8,009,824	8,096,551	8,345,593	8,432,311	8,597,177	8,382,237	8,040,037	8,725,663
Wastewater	7,003,379	7,369,120	7,400,961	7,419,760	7,622,341	7,879,037	8,487,848	8,830,413	9,093,132	9,775,034
Hospital	84,339,214	94,771,491	106,897,444	115,799,592	133,547,434	126,098,919	128,111,189	133,830,561	133,442,763	131,014,558
Transit	31,911	31,901	32,145	28,953	252,665	428,249	431,237	420,029	406,248	0
Solid Waste	3,737,471	1,664,720	1,623,364	1,706,670	1,782,171	1,769,658	1,811,429	1,854,003	1,852,773	1,862,447
Operating Contributions and Grants	623,509	634,668	636,347	1,076,707	876,773	428,979	472,116	405,654	358,660	283,995
Capital Contributions and Grants	1,882,104	2,256,806	358,962	328,911	1,118,733	327,314	397,620	1,120,428	385,790	0
<b>Total Business-Type Activities Program Revenues</b>	<b>104,663,094</b>	<b>114,789,049</b>	<b>124,959,047</b>	<b>134,457,144</b>	<b>153,545,710</b>	<b>145,364,467</b>	<b>148,308,616</b>	<b>154,843,325</b>	<b>153,579,403</b>	<b>151,661,697</b>
<b>Total Primary Government Program Revenues</b>	<b>\$125,514,034</b>	<b>\$124,901,705</b>	<b>\$147,112,269</b>	<b>\$148,778,149</b>	<b>\$168,986,979</b>	<b>\$167,688,773</b>	<b>\$165,654,986</b>	<b>\$167,029,719</b>	<b>\$166,072,957</b>	<b>\$162,366,094</b>

**CITY OF EL CENTRO  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

(Accrual Basis of Accounting)  
Page 2 of 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$13,108,853)	(\$23,833,591)	(\$16,294,905)	(\$23,418,811)	(\$20,876,830)	(\$12,053,439)	(\$14,564,975)	(\$21,058,298)	(\$21,365,514)	(\$23,914,486)
Business-Type Activities	4,452,793	6,038,006	6,379,512	4,543,907	12,381,152	4,421,705	6,927,559	12,987,638	5,885,030	(9,518,602)
<b>Total Primary Government Net Expense</b>	<b>(\$8,656,060)</b>	<b>(\$17,795,585)</b>	<b>(\$9,915,393)</b>	<b>(\$18,874,904)</b>	<b>(\$8,495,678)</b>	<b>(\$7,631,734)</b>	<b>(\$7,637,416)</b>	<b>(\$8,070,660)</b>	<b>(\$15,480,484)</b>	<b>(\$33,433,088)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities										
Taxes										
Property Taxes	\$9,220,182	\$10,350,487	\$9,834,917	\$9,023,918	\$5,672,650	\$2,946,796	\$2,928,564	\$3,036,539	\$3,184,676	\$3,274,487
Sales Taxes	10,199,467	9,843,655	8,485,869	10,094,376	11,182,621	10,457,635	10,937,977	10,998,664	11,461,714	12,863,590
Transit Occupancy Taxes	1,471,568	1,198,977	1,235,027	1,343,477	1,560,794	1,660,336	1,667,107	1,592,290	1,692,052	1,667,455
Franchise Taxes	380,085	393,958	337,914	356,688	337,263	309,852	317,696	317,379	295,717	282,975
Other Taxes	416,006	332,272	336,024	394,573	415,851	384,697	369,426	402,491	426,247	421,537
License & Permits	-	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-
Motor Vehicle in Lieu, unrestricted	3,832,539	3,998,996	4,010,814	3,939,780	3,790,879	3,661,173	3,640,902	3,671,321	3,920,891	4,095,796
Revenue From Other Agencies	997,746	981,896	1,222,246	1,176,331	-	-	-	-	-	-
Litigation Settlement	-	-	-	-	-	-	-	-	-	-
Bond/Loan Proceeds less increase in debt	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	281,781	280,353	758,889	657,329	94,848	77,097	72,185	102,414	123,883	101,315
Gain on Sales of Property	-	-	-	-	-	-	-	-	-	-
Transfers	-	1,778,540	-	203,680	241,920	241,920	193,200	193,200	0	0
Loss on Transfer of Assets and Liabilities to RDA Successor Trust Fund	-	-	-	-	(8,983,573)	-	-	-	-	-
Investment Earnings	3,575,397	1,603,352	595,245	528,188	101,500	169,631	130,261	155,862	184,000	202,181
<b>Total Governmental Activities</b>	<b>30,374,771</b>	<b>30,762,486</b>	<b>26,816,945</b>	<b>27,718,340</b>	<b>14,414,753</b>	<b>19,909,137</b>	<b>20,257,318</b>	<b>20,470,160</b>	<b>21,289,180</b>	<b>22,909,336</b>
Business-Type Activities										
Investment Earnings	7,128,138	1,971,334	506,146	402,506	411,992	453,085	470,351	613,433	937,970	560,592
Litigation Settlement	-	-	-	550,000	-	-	-	-	-	-
Transfers	-	(1,778,540)	-	(203,680)	(241,920)	(241,920)	(193,200)	(193,200)	-	-
Miscellaneous Revenue (Expense)	23,653	-	-	84,765	150,016	(105,075)	57,936	(608,438)	-	96,683
<b>Total Business-Type Activities</b>	<b>7,151,791</b>	<b>192,794</b>	<b>506,146</b>	<b>833,591</b>	<b>320,088</b>	<b>106,090</b>	<b>335,087</b>	<b>(188,205)</b>	<b>937,970</b>	<b>657,275</b>
<b>Total Primary Government</b>	<b>\$37,526,562</b>	<b>\$30,955,280</b>	<b>\$27,323,091</b>	<b>\$28,551,931</b>	<b>\$14,734,841</b>	<b>\$20,015,227</b>	<b>\$20,592,405</b>	<b>\$20,281,955</b>	<b>\$22,227,150</b>	<b>\$23,566,611</b>
<b>Change in Net Position</b>										
Governmental Activities	\$17,265,918	\$6,928,895	\$10,522,040	\$4,299,529	(\$6,462,077)	\$7,855,698	\$5,692,343	(\$588,138)	(\$76,334)	(\$1,005,150)
Business-Type Activities	11,604,584	6,230,800	6,885,658	5,377,498	12,701,240	4,527,795	7,262,646	12,799,433	6,823,000	(8,861,327)
<b>Total Primary Government</b>	<b>\$28,870,502</b>	<b>\$13,159,695</b>	<b>\$17,407,698</b>	<b>\$9,677,027</b>	<b>\$6,239,163</b>	<b>\$12,383,493</b>	<b>\$12,954,989</b>	<b>\$12,211,295</b>	<b>\$6,746,666</b>	<b>(\$9,866,477)</b>

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$1,305,150	\$1,305,150	\$955,150	-	-	-	-	-	-	-
Unreserved	11,688,308	5,259,635	4,621,322	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$12,993,458</b>	<b>\$6,564,785</b>	<b>\$5,576,472</b>	-	-	-	-	-	-	-
<b>All Other Governmental Funds</b>										
Reserved Reported In:										
Special Revenue Funds	\$25,355,720	\$26,814,384	\$23,948,681	-	-	-	-	-	-	-
Debt Service Funds	2,765,955	2,657,808	4,117,612	-	-	-	-	-	-	-
Capital Projects Funds	22,559,905	23,353,322	31,894,909	-	-	-	-	-	-	-
Unreserved, Reported In:										
Special Revenue Funds	-	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	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$59,536,334</b>	<b>\$70,643,193</b>	<b>\$76,616,112</b>	-	-	-	-	-	-	-
<b>General Fund</b>										
Nonspendable	-	-	-	\$1,300,000	\$0	\$0	\$0	\$0	\$0	\$0
Assigned	-	-	-	8,259,370	9,077,959	4,086,986	4,094,734	4,094,734	4,632,159	4,675,830
Unassigned	-	-	-	5,106,157	8,851,696	10,668,543	12,948,410	13,503,236	12,936,302	13,565,446
<b>Total General Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,665,527</b>	<b>\$17,929,655</b>	<b>\$14,755,529</b>	<b>\$17,043,144</b>	<b>\$17,597,970</b>	<b>\$17,568,461</b>	<b>\$18,241,276</b>
<b>All Other Governmental Funds</b>										
Nonspendable Reported In:										
Special Revenue Funds	-	-	-	-	-	-	-	\$17,645,310	\$17,434,561	\$17,293,980
Restricted Reported In:										
Special Revenue Funds	-	-	-	\$20,662,737	\$21,387,592	\$16,328,148	\$14,522,868	\$14,497,725	\$12,082,322	\$11,933,425
Debt Service Funds	-	-	-	25,350,288	11,310,804	10,610,316	11,596,495	10,886,701	10,162,103	9,413,193
Capital Projects Funds	-	-	-	59,125,015	43,604,215	44,704,189	19,494,251	19,823,512	20,102,143	20,077,372
Committed Reported In:										
Special Revenue Funds	-	-	-	490,610	492,778	500,044	504,786	510,687	518,023	527,498
Capital Projects Funds	-	-	-	1,272,206	1,290,225	1,337,063	1,359,231	1,391,199	1,651,859	1,147,829
Unassigned, Reported In:										
Special Revenue Funds	-	-	-	(947,740)	(1,171,673)	(146,068)	(515,850)	(229,575)	(270,160)	40,959
<b>Total All Other Governmental Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105,953,116</b>	<b>\$76,913,941</b>	<b>\$73,333,692</b>	<b>\$46,961,781</b>	<b>\$64,525,559</b>	<b>\$61,680,851</b>	<b>\$60,434,256</b>
<b>Total Governmental Funds</b>	<b>\$72,529,792</b>	<b>\$77,207,978</b>	<b>\$82,192,584</b>	<b>\$120,618,643</b>	<b>\$94,843,596</b>	<b>\$88,089,221</b>	<b>\$64,004,925</b>	<b>\$82,123,529</b>	<b>\$79,249,312</b>	<b>\$78,675,532</b>

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$19,015,210	\$19,339,300	\$18,130,565	\$18,946,072	\$15,890,617	\$13,315,271	\$13,320,695	\$13,583,961	\$16,693,227	\$18,510,044
Licenses and Permits	481,803	168,708	187,286	371,608	302,210	207,705	323,838	256,117	327,027	270,740
From Other Agencies (Intergovernmental)	14,857,094	15,415,033	14,535,601	19,077,784	16,232,143	21,422,955	19,438,874	15,548,121	13,111,411	11,924,208
Charges for Services	3,077,913	1,207,941	734,107	1,239,003	944,153	582,871	838,549	1,104,236	942,182	870,198
Fines and Forfeitures	219,396	220,262	231,871	227,122	278,452	191,553	171,456	260,484	157,908	107,866
Interest	3,346,291	1,499,315	419,452	383,826	1,020,249	1,039,533	565,289	859,566	862,411	698,730
Other	3,202,070	1,399,334	4,802,438	1,671,738	3,902,441	5,023,159	2,681,077	1,571,723	1,320,273	1,465,430
<b>Total Revenues</b>	<b>44,199,777</b>	<b>39,249,893</b>	<b>39,041,320</b>	<b>41,917,153</b>	<b>38,570,265</b>	<b>41,783,047</b>	<b>37,339,778</b>	<b>33,184,208</b>	<b>33,414,439</b>	<b>33,847,216</b>
<b>Expenditures</b>										
Current										
General Government	2,977,024	2,893,665	2,479,476	2,869,602	3,464,573	8,411,060	3,219,097	3,551,014	3,239,773	3,280,437
Public Safety	15,488,462	15,700,953	15,683,668	14,344,787	13,633,473	13,758,270	14,066,064	14,008,336	15,493,236	16,274,312
Public Works	3,802,853	2,426,909	2,381,628	2,559,744	1,645,024	1,603,595	1,613,630	1,295,399	1,461,952	1,415,699
Parks and Recreation	2,910,524	4,621,233	2,702,213	2,548,518	2,472,520	2,353,933	2,733,034	2,698,586	3,142,898	3,202,932
Community Development	5,721,596	5,144,726	8,023,357	5,091,505	5,081,752	7,171,937	2,006,113	2,166,885	2,164,177	2,186,684
Capital Outlay	7,147,457	2,714,767	12,850,526	18,946,489	10,275,049	13,098,714	10,258,712	6,515,733	8,180,399	5,709,583
Debt Service										
Principal Retirement	152,846	329,520	1,155,000	740,000	2,155,000	1,089,063	1,110,066	1,132,892	1,165,879	1,209,033
Interest and Fiscal Charges	1,876,983	2,459,603	3,247,874	3,430,028	3,941,012	1,574,703	1,259,809	1,478,077	1,417,528	1,142,316
Other	-	-	383,961	397,937	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>40,077,745</b>	<b>36,291,376</b>	<b>48,907,703</b>	<b>50,928,610</b>	<b>42,668,403</b>	<b>49,061,275</b>	<b>36,266,525</b>	<b>32,846,922</b>	<b>36,265,842</b>	<b>34,420,996</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,122,032</b>	<b>2,958,517</b>	<b>(9,866,383)</b>	<b>(9,011,457)</b>	<b>(4,098,138)</b>	<b>(7,278,228)</b>	<b>1,073,253</b>	<b>337,286</b>	<b>(2,851,403)</b>	<b>(573,780)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital leases	-	-	-	-	-	281,933	0	0	0	0
Transfers In	3,289,784	10,145,354	5,493,537	4,740,384	4,581,124	3,348,795	3,425,532	3,041,423	2,858,474	2,387,332
Transfers Out	(3,289,784)	(8,366,814)	(5,493,537)	(4,536,704)	(4,339,204)	(3,106,875)	(3,232,332)	(2,848,223)	(2,858,474)	(2,387,332)
Sales of Property	-	-	266,806	-	-	-	-	-	-	-
Issuance of Long Term Debt	-	-	14,740,000	47,300,000	-	-	-	-	-	-
Original Issue Discount	-	-	(255,817)	(171,331)	-	-	-	-	-	-
Payment of Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Lease Proceeds/Short Term Debt	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,778,540</b>	<b>14,750,989</b>	<b>47,332,349</b>	<b>241,920</b>	<b>523,853</b>	<b>193,200</b>	<b>193,200</b>	<b>0</b>	<b>0</b>
<b>Extraordinary Item</b>										
Gain/(Loss) on Transfer of Assets and Liabilities to RDA Successor Trust Funds	-	-	-	-	(21,823,412)	-	-	-	-	-
<b>Net Change In Fund Balances</b>	<b>\$4,122,032</b>	<b>\$4,737,057</b>	<b>\$4,884,606</b>	<b>\$38,320,892</b>	<b>(\$25,679,630)</b>	<b>(\$6,754,375)</b>	<b>\$1,266,453</b>	<b>\$530,486</b>	<b>(\$2,851,403)</b>	<b>(\$573,780)</b>
<b>Debt Service as a percentage of non-capital expenditures</b>	<b>6.3%</b>	<b>8.2%</b>	<b>13.3%</b>	<b>14.3%</b>	<b>18.8%</b>	<b>7.2%</b>	<b>8.9%</b>	<b>9.6%</b>	<b>9.1%</b>	<b>8.1%</b>

Source: City of El Centro Finance Department

**CITY OF EL CENTRO  
PROPERTY AD VALOREM TAX ASSESSED VALUES <sup>1</sup>  
LAST TEN FISCAL YEARS**

Year Ended June 30	Assessed Value <sup>2</sup>	County Tax Rate Per \$100	City			Redevelopment Agency		
			Portion of Assessed Value	Tax Rate	Tax Levy	Portion of Assessed Value	Tax Rate	Tax Levy
2008	2,009,137,610	1.0000	1,509,515,728	0.214%	3,230,297	499,621,882	1.030%	5,144,949
2009	2,147,395,583	1.0000	1,499,039,128	0.212%	3,184,742	648,356,455	0.988%	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	2,013,469,116	1.0000	1,398,499,071	0.210%	2,940,201	614,970,045	1.018%	6,262,469
2014	2,003,429,040	1.0000	1,404,870,048	0.211%	2,959,121	598,558,992	1.017%	6,088,570
2015	2,022,063,289	1.0000	1,423,277,054	0.212%	3,011,823	598,786,235	1.021%	6,111,606
2016	2,173,973,430	1.0000	1,559,437,960	0.210%	3,277,875	614,535,470	1.021%	6,273,308
2017	2,280,920,814	1.0000	1,629,348,747	0.209%	3,397,728	651,572,067	1.020%	6,642,930

<sup>1</sup> 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.

<sup>2</sup> 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Direct Rates:										
City basic rate	\$0.214	\$0.212	\$0.207	\$0.208	\$0.210	\$0.210	\$0.211	\$0.212	\$0.210	\$0.209
Redevelopment Agency	1.030	0.988	1.057	1.013	1.016	1.018	1.017	1.021	1.021	1.020
<b>Total City Direct Rate</b>	<b>1.244</b>	<b>1.200</b>	<b>1.264</b>	<b>1.221</b>	<b>1.226</b>	<b>1.228</b>	<b>1.228</b>	<b>1.233</b>	<b>1.231</b>	<b>1.229</b>
Overlapping Rates:										
Imperial County	0.260	0.260	0.260	0.260	0.260	0.260	0.260	0.260	0.260	0.274
El Centro Elementary District	0.214	0.214	0.214	0.214	0.214	0.214	0.214	0.214	0.214	0.200
Central Union High School	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.177	0.142
Imperial Valley College District	0.087	0.087	0.087	0.087	0.087	0.087	0.087	0.087	0.087	0.068
Imperial County School Service	0.019	0.019	0.019	0.019	0.019	0.019	0.019	0.019	0.019	0.016
Central Cemetery District	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.019
<b>Total Direct Rate</b>	<b>2.018</b>	<b>1.974</b>	<b>2.038</b>	<b>1.995</b>	<b>2.000</b>	<b>2.002</b>	<b>2.002</b>	<b>2.007</b>	<b>2.005</b>	<b>1.949</b>

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, 2017 AND 2008**

Taxpayer	Fiscal Year 2017			Fiscal Year 2008		
	Assessed Valuation	Percent Of Total Assessed Valuation	Rank	Assessed Valuation	Percent Of Total Assessed Valuation	Rank
I V Plaza LLC (RJFP LLC)	\$ 50,774,411	2.04%	1	\$ 21,532,841	0.97%	2
Imperial Valley Mall II, LP	46,375,235	1.86%	2	40,499,125	1.82%	1
EGP CH EL Centro LLC	24,319,490	0.98%	3	16,247,032	0.73%	4
RJ Development Co. LLC	21,075,089	0.85%	3	16,331,276	0.74%	3
Wal-Mart Stores Inc.	18,505,640	0.74%	4	14,287,350	0.64%	5
Target Corporation	14,114,059	0.57%	5	13,040,357	0.59%	7
Auto Plaza Apartments LLC	12,500,000	0.50%	6			
Dillard Stores Services Inc	11,344,710	0.46%	7	12,617,230	0.57%	8
Costco Wholesale Corp	10,283,649	0.41%	9	10,420,560	0.47%	10
Seritage SRC Finance LLC	10,178,580	0.41%	10			
Lowe's HIW Inc				14,271,852	0.64%	6
Macy's California Inc				12,259,539	0.55%	9
	<u>\$219,470,863</u>	<u>8.81%</u>		<u>\$171,507,162</u>	<u>7.73%</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
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%
2016	9,551,183	8,647,662	90.54%	-	8,647,662	90.54%
2017	10,040,658	6,432,913	64.07%	-	6,432,913	64.07%

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	Tax Allocation Bond	Lease Revenue Bonds	Revenue Bonds	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	
2007	31,195,000			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			31,195,000	49,520	1,300,000	32,544,520	78,598,687	3,073,735	33,634,185	-	115,306,607
2009	3,091,500			30,915,000	-	1,300,000	32,215,000	77,109,643	4,566,340	32,452,989	-	114,128,972
2010	30,555,000	13,695,624		44,250,624	-	950,000	45,200,624	75,478,128	5,272,848	31,223,502	-	111,974,478
2011	66,340,000	13,387,515	10,925,575	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		13,069,406	10,257,393	23,326,799	-	-	23,326,799	72,436,782	8,525,281	28,585,528	752,300	110,299,891
2013		12,746,297	9,579,211	22,325,508	217,870	-	22,543,378	70,906,481	5,244,431	27,147,041	5,001,300	108,299,253
2014		12,413,188	8,876,029	21,289,217	167,804	-	21,457,021	69,078,663	2,921,810	25,665,552	4,205,395	101,871,420
2015		12,070,079	8,162,847	20,232,926	114,912	-	20,347,838	66,592,684	4,913,329	50,000,000	-	121,506,013
2016		11,713,970	7,434,665	19,148,635	59,033	-	19,207,668	64,171,189	6,962,960	47,205,000	-	118,339,149
2017		11,338,861	6,681,483	18,020,344	-	-	18,020,344	59,701,878	4,738,042	44,240,000	-	108,679,920
Fiscal Year				Total Primary Government			Percentage Of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>				
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%	3,156				
2016				137,546,817			9.4%	3,036				
2017				126,700,264			8.3%	2,777				

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

<sup>1</sup> 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**

<u>Fiscal Year</u>	<u>Redevelopment Agency Tax Allocation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Financing Authority Revenue Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total General Bonded Debt Outstanding</u>	<u>Percentage of Assessed Value of Property <sup>1</sup></u>	<u>Per Capita</u>
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	<sup>2</sup>	13,069,406	10,257,393	2,568,642	20,758,159	1.0%	474
2013	<sup>2</sup>	12,746,297	9,579,211	2,564,268	19,761,242	1.0%	447
2014	<sup>2</sup>	12,413,188	8,876,029	2,571,814	18,717,405	0.9%	422
2015	<sup>2</sup>	12,070,079	8,162,847	2,571,818	17,661,110	0.9%	393
2016	<sup>2</sup>	11,711,970	7,434,665	2,571,828	16,574,809	0.8%	366
2017	<sup>2</sup>	11,338,861	6,681,483	2,571,875	15,448,471	0.7%	339

<sup>1</sup> 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.

<sup>2</sup> 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, 2017**

2016 - 2017 Assessed Valuation:	\$2,280,920,814		
Redevelopment Incremental Valuation:	651,572,067		
	-----		
City Adjusted Assessed Valuation	\$1,629,348,747		
	OUTSTANDING		ESTIMATED
	DEBT		SHARE OF
	6/30/2017	% APPLICABLE	OUTSTANDING
			DEBT
<hr/>			
OVERLAPPING TAX AND ASSESSMENT DEBT			
El Centro Elementary School District 1992, 2003, 2015 & 2016 Bonds	\$14,156,651	99.24%	\$14,049,060
Centro Union High School 2011 & 2016 Bonds	18,130,000	52.43%	9,505,559
Imperial Valley College 2004, 2010 & 2012 Bonds	<u>71,249,501</u>	15.71%	<u>11,193,297</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	<u>103,536,152</u>		<u>34,747,916</u>
TOTAL OVERLAPPING DEBT	<u>\$103,536,152</u>		\$34,747,916
CITY DIRECT DEBT <sup>1</sup>			<u>18,020,344</u>
TOTAL DIRECT AND OVERLAPPING DEBT <sup>1</sup>			<u>\$52,768,260</u>

<sup>1</sup> Excludes enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

<sup>2</sup> 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.

Source: Imperial County Auditor/Controller's Office

**CITY OF EL CENTRO  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total Assessed Valuation	\$2,280,920,814
Debt Limit - 15% of Total Assessed Valuation <sup>1</sup>	\$342,138,122
Amount of Debt Applicable to the Limit	18,020,344
Legal Debt Margin	\$324,117,778

**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
2008	301,370,642	31,195,000	270,175,642	10.4%
2009	322,109,337	30,915,000	291,194,337	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	302,020,367	22,325,508	279,694,859	7.4%
2014	300,514,356	21,289,217	279,225,139	7.1%
2015	303,309,493	20,232,926	283,076,567	6.7%
2016	326,096,015	19,148,635	306,947,380	5.9%
2017	342,138,122	18,020,344	324,117,778	5.3%

<sup>1</sup> 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 <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Principal <sup>4</sup>	Interest	Total Debt Service	Debt Service Coverage	Wastewater Revenue <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Principal <sup>4</sup>	Interest	Total Debt Service	Debt Service Coverage
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
2016	8,132,998	4,417,861	3,715,137	998,955	1,273,605	2,272,560	1.63	9,169,033	4,689,235	4,479,798	1,197,337	1,142,938	2,340,275	1.91
2017	8,887,085	4,583,355	4,303,730	1,021,474	1,252,478	2,273,952	1.89	9,919,427	5,012,752	4,906,675	1,224,007	1,114,557	2,338,564	2.10

Year Ended June 30	Revenue Bonds (Hospital Fund)						<sup>3</sup> Redevelopment Agency Tax Allocation Bond					
	Hospital Revenue	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Principal <sup>5</sup>	Interest	Total Debt Service	Debt Service Coverage	Property Tax Increment	Principal	Interest	Total Debt Service	Debt Service Coverage
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
2016	133,442,763	123,616,427	9,826,336	2,795,000	1,439,753	4,234,753	2.32	3	3	3	3	3
2017	131,549,548	136,026,440	(4,476,892)	2,965,000	1,439,753	4,404,753	(1.02)	3	3	3	3	3

<sup>1</sup> Interest Revenue and Grant Revenue is included for this calculation

<sup>2</sup> Depreciation is eliminated for this calculation.

<sup>3</sup> Redevelopment Agency Tax Allocation Bonds were transferred to the Successor Agency

<sup>4</sup> 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

<sup>5</sup> 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**

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>2</sup>		Unemployment Rate <sup>2</sup>	Elementary School Enrollment <sup>3</sup>
		Total	Per Capita		
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	44,946	1,448,384,850	32,225	22.9%	5,091
2016	45,305	1,459,953,625	32,225	23.8%	4,959
2017	45,628	1,532,370,752	33,584	22.9%	4,959

<sup>1</sup> Source: California Department of Finance

<sup>2</sup> Source: California Employment Development Department

<sup>3</sup> Source: El Centro Elementary School District

**CITY OF EL CENTRO  
PRINCIPAL EMPLOYERS  
AS OF JUNE 30, 2017 AND 2007**

Employer	Type Of Business	Fiscal Year 2017			Fiscal Year 2007		
		Employees	Percent of Total Employment	Rank	Employees	Percent of Total Employment	Rank
County of Imperial <sup>1</sup>	Governmental	2,059	3.23%	1	2,179	3.84%	3
El Centro School System <sup>1</sup>	Education	1,358	2.13%	2	1,209	2.13%	4
Imperial Irrigation District	Water and Power	1,337	2.10%	3	1,200	2.11%	5
Centinela State Prison	Prison	1,067	1.67%	4	1,285	2.26%	2
Calipatria State Prison	Prison	1,061	1.66%	5	1,205	2.12%	1
Homeland Security/U.S. Border Patrol <sup>1</sup>	Government	989	1.55%	6	991	1.74%	7
El Centro Regional Medical Center <sup>1</sup>	Hospital	961	1.51%	7	812	1.43%	8
Naval Air Facility	Military	592	0.93%	8	1,000	1.76%	6
Imperial Valley College	Education	416	0.65%	9	498	0.88%	10
Costco <sup>1</sup>	Retail	250	0.39%	10	200	0.35%	11
Wal Mart <sup>1</sup>	Retail	239	0.37%	11	504	0.89%	9
United States Gypsum CO	Manufacturing	234	0.37%	12			
Cal Energy Operating Co./Ormat	Power	215	0.34%	13	206	0.36%	10
J. C. Penney <sup>1</sup>	Retail	148	0.23%	14			
Burgers & Beers <sup>1</sup>	Retail				200	0.35%	12
Dillards <sup>1</sup>	Retail				172	0.30%	13
		10,926	17.13%		11,661	20.53%	

Homeland Security/U.S. Border Patrol <sup>1</sup> Government

"Total Employment" as used above represents the total employment within the County of Imperial

<sup>1</sup> Employers within or near the geographical boundaries of the City of El Centro

Source: City of El Centro Economic Development Department



**CITY OF EL CENTRO  
EMPLOYEES BY FUNCTION (FULL TIME EQUIVALENTS)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
General Government	28.0	28.0	28.0	28.0	25.0	25.5	25.5	26.5	29.5	27.5
Public Safety	127.0	124.0	124.0	124.0	123.0	126.0	123.0	124.0	124.0	124.0
Public Works	13.0	13.0	13.0	13.0	12.2	12.2	12.2	12.2	12.2	12.2
Parks and Recreation	15.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	19.6	19.6
Community Development	21.0	21.0	23.0	23.0	21.0	20.0	20.0	20.0	18.4	17.4
Water	23.0	23.0	23.0	23.0	20.7	20.9	19.9	19.9	21.6	21.6
Sewer	24.0	24.0	24.0	24.0	23.1	23.4	23.4	24.4	24.7	24.7
Total Government-Wide Employees	<u>251.0</u>	<u>249.0</u>	<u>251.0</u>	<u>251.0</u>	<u>241.0</u>	<u>244.0</u>	<u>240.0</u>	<u>244.0</u>	<u>250.0</u>	<u>247.0</u>

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 <sup>1</sup>		Other Additions and Alterations <sup>1</sup>		Bank Deposits <sup>2</sup>
			Number Permits	Valuation	Number Permits	Valuation	Number Permits	Valuation	
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
2016	319	16,193,748	92	11,289,701	159	\$4,226,721	68	677,326	1,017,136
2017	297	20,991,360	75	17,552,549	157	\$2,886,800	65	552,011	1,043,937

\* Amounts expressed in thousands

<sup>1</sup> Source: City of El Centro Building Department

<sup>2</sup> Source: Federal Deposit Insurance Corporation

**CITY OF EL CENTRO  
CAPITAL ASSETS STATISTICS  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Officers	58	58	52	52	52	52	52	52	52	52
<b>Fire:</b>										
Stations	2	2	2	2	3	3	3	3	3	3
Number of Firefighters	40	40	40	40	40	41	41	41	41	41
<b>Parks and Recreation:</b>										
Parks	14	14	14	14	14	14	17	17	17	17
Community Centers	1	1	1	1	1	1	1	1	1	1
MLK Sports Court	-	-	-	-	-	-	-	1	1	1
Skate Park	-	-	-	-	-	-	-	-	1	1
Library	1	1	1	1	1	1	1	1	1	1
<b>Water:</b>										
Number of customers	9,519	9,574	9,523	9,674	9,699	9,755	9,799	9,822	9,880	9,888
Maximum pumping capacity (thousands of gallons)	17,000	17,000	17,000	17,000	21,000	21,000	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	7,000	6,500	6,900
Miles of lines and mains	131	131	131	131	131	131	131	131	131	155
<b>Wastewater:</b>										
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	3,300	3,300	3,300	3,500	3,500
Miles of lines and mains	129	129	129	129	129	129	129	129	129	129
<b>Other:</b>										
City Land Area (Square Miles)	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	10.05	12.36
Miles of Storm Drain	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	37.9
Miles of City Streets	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	128.1

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 <sup>1</sup></u>	<u>Number of Fire Fighters</u>
2008	43,316	9,519	42,031	17,712	58	3,353	40
2009	44,303	9,574	49,343	17,402	55	3,384	40
2010	42,480	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	44,946	9,822	37,695	23,516	52	4,123	41
2016	45,305	9,880	40,243	28,420	52	4,390	41
2017	45,628	9,888	42,522	27,203	52	4,450	41

<sup>1</sup> Includes calls for fires, medical calls, traffic accidents and hazardous conditions.

Source: City of El Centro Finance Department, Fire Department, and Police Department

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