

# City of Imperial

Annual Financial Report

For the Fiscal Year ended June 30, 2017



## TABLE OF CONTENTS

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### I. FINANCIAL SECTION

A.	Independent Auditors' Report.....	1
B.	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position.....	4
	Statement of Activities.....	5
	Fund Financial Statements:	
	Governmental Funds:	
	Balance Sheet.....	7
	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	10
	Statement of Revenues, Expenditures, and Changes in Fund Balance.....	11
	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	14
	Proprietary Funds:	
	Statement of Net Position.....	15
	Statement of Revenues, Expenses, and Changes in Net Position.....	16
	Statement of Cash Flows.....	17
	Fiduciary Funds:	
	Statement of Fiduciary Net Position.....	18
	Notes to Basic Financial Statements.....	19
C.	Required Supplementary Information:	
	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
	General Fund.....	48
	Redevelopment Agency Successor Housing Special Revenue Fund.....	50
	Cost Sharing Defined Benefit Pension Plans.....	51
D.	Other Supplemental Information:	
	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
	Redevelopment Agency Successor Capital Projects Fund.....	53
	Redevelopment Agency Successor Debt Service Fund.....	54
	Redevelopment Agency Successor Projects Fund.....	55
	Nonmajor Governmental Funds:	
	Combining Balance Sheet.....	56
	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	62
	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
	Traffic Congestion Relief Special Revenue Fund.....	69
	Traffic Safety Special Revenue Fund.....	70
	Gas Tax Special Revenue Fund.....	71
	Local Transportation Special Revenue Fund.....	72

---

**TABLE OF CONTENTS**

---

D. Other Supplemental Information: (Continued)

Nonmajor Governmental Funds: (Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual: (Continued)

Dial-A-Ride Special Revenue Fund .....	73
LTA Measure D Special Revenue Fund .....	74
Public Safety Prop. 172 Special Revenue Fund.....	75
COPS Grant 2013 Special Revenue Fund .....	76
Police Asset Forfeiture Special Revenue Fund .....	77
COPS Grant 2014 Special Revenue Fund .....	78
COPS Grant 2016 Special Revenue Fund .....	79
CDBG Home Grant Special Revenue Fund.....	80
Housing Rehab Special Revenue Fund.....	81
Economic Development Special Revenue Fund .....	82
RLA Grant Special Revenue Fund.....	83
Wildflower Landscape Lighting Special Revenue Fund .....	84
Paseo Del Sol Landscape Lighting Special Revenue Fund.....	85
Joshua Tree Street Improvement Special Revenue Fund.....	86
Library Donations Special Revenue Fund .....	87
Aten Clark Traffic Special Revenue Fund.....	88
COPS 2015 Grant Special Revenue Fund .....	89
Sky Ranch District Special Revenue Fund .....	90
Prop 1B Bond Special Revenue Fund.....	91
Library Literacy Special Revenue Fund .....	92
Police Technology Grant Special Revenue Fund.....	93
Austin/Worthington Impact Fee Special Revenue Fund .....	94
AB 109 Special Revenue Fund .....	95
Aviation/Special Events Special Revenue Fund .....	96
General Housing Account Special Revenue Fund.....	97
Fire Impact Fees Special Revenue Fund .....	98
Police Impact Fees Special Revenue Fund.....	99
Admin Impact Fees Special Revenue Fund.....	100
Library Impact Fees Special Revenue Fund .....	101
Park Impact Fees Special Revenue Fund .....	102
Circulation Impact Fees Special Revenue Fund .....	103
STPL Special Revenue Fund .....	104
CMAQ Special Revenue Fund .....	105
EDA Special Revenue Fund .....	106

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## TABLE OF CONTENTS

---

### II. INTERNAL CONTROL

- a. REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* ..... 107
  - b. Schedule of Findings and Responses.....109
-





## **INDEPENDENT AUDITORS' REPORT**

Members of the City Council of the  
City of Imperial  
Imperial, 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 Imperial, California, as of and for the 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and, the aggregate remaining fund information of the City of Imperial, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America required that the Budgetary Comparison Schedules for the General Fund on pages 48 and 49, the Redevelopment Agency Successor Housing Special Revenue Fund on page 50, and the Cost Sharing Defined Benefit Pension Plans on pages 51 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Imperial's basic financial statements. The major capital project fund budgetary comparison schedule, combining nonmajor fund financial statements and budgetary comparison schedules nonmajor funds are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The major capital project fund budgetary comparison schedule, combining nonmajor fund financial statements and budgetary comparison schedules nonmajor funds are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the major capital project fund budgetary comparison schedule, combining nonmajor fund financial statements and budgetary comparison schedules nonmajor funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018 on our consideration of the City of Imperial, California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the 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 of Imperial's internal control over financial reporting and compliance.

*Hitchinson and Bloodgood LLP*

June 19, 2018



**FINANCIAL  
SECTION**



**CITY OF IMPERIAL**  
Statement of Net Position  
Government-wide  
June 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,567,340	\$ 11,729,626	\$29,296,966
Restricted assets:			
Cash and investments with fiscal agents	308,831	2,198,739	2,507,570
Receivables:			
Accounts	489,646	758,955	1,248,601
Notes	2,200,295	-	2,200,295
Interest	8,293	5,663	13,956
Land held for resale	311,012	-	311,012
Inventory	-	85,923	85,923
Deferred charges, net of accumulated amortization	-	534,847	534,847
Capital assets not being depreciated	3,329,400	79,683	3,409,083
Capital assets, net of accumulated depreciation	<u>24,006,010</u>	<u>19,699,507</u>	<u>43,705,517</u>
Total assets	<u>48,220,827</u>	<u>35,092,943</u>	<u>83,313,770</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related	<u>901,090</u>	<u>63,834</u>	<u>964,924</u>
Total deferred outflows of resources	<u>901,090</u>	<u>63,834</u>	<u>964,924</u>
<b>LIABILITIES</b>			
Accounts payable	600,303	132,781	733,084
Deposits payable	3,589,867	373,590	3,963,457
Noncurrent liabilities:			
Due within one year	740,000	1,455,000	2,195,000
Due in more than one year	20,253,358	16,696,179	36,949,537
Net pension liability	<u>2,861,305</u>	<u>777,757</u>	<u>3,639,062</u>
Total liabilities	<u>28,044,833</u>	<u>19,435,307</u>	<u>47,480,140</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related	<u>305,276</u>	<u>(98,120)</u>	<u>207,156</u>
Total deferred inflows of resources	<u>305,276</u>	<u>(98,120)</u>	<u>207,156</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	4,698,750	4,393,995	9,092,745
Restricted for:			
Debt service	154,736	-	154,736
Public safety	590,439	-	590,439
Streets and roads	3,744,763	-	3,744,763
Public services	623,143	-	623,143
Community development	445,281	-	445,281
Special districts	1,136,714	-	1,136,714
Library	526,279	-	526,279
Parks	1,922,291	-	1,922,291
Capital projects	1,494,216	-	1,494,216
Housing	794,154	-	794,154
Unrestricted	<u>4,641,042</u>	<u>11,425,595</u>	<u>16,066,637</u>
Total net position	<u>\$ 20,771,808</u>	<u>\$ 15,819,590</u>	<u>\$36,591,398</u>

**CITY OF IMPERIAL**  
Statement of Activities  
Government-wide  
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ (1,911,287)	\$ 1,310,457	\$ -	\$ 60,949
Public safety	(2,679,704)	213,964	297,263	85,698
Public services	(1,970,958)	110,871	369,311	1,561,028
Community development	(346,385)	738,686	104,358	2,049,401
Parks and recreation	(858,274)	150,089	4,200	459,232
Library	(236,715)	7,766	37,440	42,636
Interest on long-term debt	(314,009)	-	-	-
Unallocated depreciation	(1,988,294)	-	-	-
Total governmental activities	<u>(10,305,626)</u>	<u>2,531,833</u>	<u>812,572</u>	<u>4,258,944</u>
Business-type activities:				
Water	(4,184,841)	4,638,648	-	-
Wastewater	(3,759,951)	4,290,491	-	-
Total business-type activities	<u>(7,944,792)</u>	<u>8,929,139</u>	<u>-</u>	<u>-</u>
Total primary government	<u><u>\$(18,250,418)</u></u>	<u><u>\$ 11,460,972</u></u>	<u><u>\$ 812,572</u></u>	<u><u>\$ 4,258,944</u></u>
General revenues and transfers:				
Taxes:				
Property taxes				
Transient occupancy taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Motor vehicle tax, unrestricted				
Use of money and property				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

**CITY OF IMPERIAL**

Statement of Activities

Government-wide

For the Fiscal Year Ended June 30, 2017

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (539,881)	\$ -	\$ (539,881)
(2,082,779)	-	(2,082,779)
70,252	-	70,252
2,546,060	-	2,546,060
(244,753)	-	(244,753)
(148,873)	-	(148,873)
(314,009)	-	(314,009)
<u>(1,988,294)</u>	<u>-</u>	<u>(1,988,294)</u>
<u>(2,702,277)</u>	<u>-</u>	<u>(2,702,277)</u>
-	453,807	453,807
<u>-</u>	<u>530,540</u>	<u>530,540</u>
-	984,347	984,347
<u>(2,702,277)</u>	<u>984,347</u>	<u>(1,717,930)</u>
1,543,967	-	1,543,967
24,724	-	24,724
2,019,363	-	2,019,363
238,106	-	238,106
22,201	-	22,201
1,388,478	-	1,388,478
8,323	20,175	28,498
243,490	-	243,490
<u>20,568</u>	<u>(20,568)</u>	<u>-</u>
<u>5,509,220</u>	<u>(393)</u>	<u>5,508,827</u>
2,806,943	983,954	3,790,897
<u>17,964,865</u>	<u>14,835,636</u>	<u>32,800,501</u>
<u>\$ 20,771,808</u>	<u>\$ 15,819,590</u>	<u>\$ 36,591,398</u>

The Notes to the Financial Statements are an integral part of this statement.

**CITY OF IMPERIAL**

Balance Sheet

Governmental Funds

June 30, 2016

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	<u>General</u>	<u>RDA Successor Projects</u>	<u>RDA Successor Capital</u>	<u>RDA Successor Housing</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,848,007	\$ 980,600	\$ -	\$ 1,090,939
Cash and investments with fiscal agents	-	-	-	308,595
Receivables				
Accounts	420,208	-	-	-
Notes	-	-	501,072	189,980
Interest	2,302	534	-	527
Due from other funds	968,351	-	183,554	-
Land held for resale	-	-	311,012	-
Total Assets	<u>\$ 5,238,868</u>	<u>\$ 981,134</u>	<u>\$ 995,638</u>	<u>\$1,590,041</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 554,300	\$ 10,000	\$ -	\$ -
Due to other funds	-	183,554	-	-
Deferred revenue	-	-	501,073	189,980
Deposits payable	<u>3,589,867</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,144,167</u>	<u>193,554</u>	<u>501,073</u>	<u>189,980</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	311,012	-
Restricted	-	787,580	183,553	1,400,061
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>1,094,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,094,701</u>	<u>787,580</u>	<u>494,565</u>	<u>1,400,061</u>
Total Liabilities and Fund Balances	<u>\$ 5,238,868</u>	<u>\$ 981,134</u>	<u>\$ 995,638</u>	<u>\$1,590,041</u>

<u>RDA Successor Debt</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 122,288	\$ 11,525,506	\$ 17,567,340
236	-	308,831
-	69,438	489,646
-	1,509,243	2,200,295
59	4,871	8,293
-	-	1,151,905
-	-	311,012
<u>\$ 122,583</u>	<u>\$ 13,109,058</u>	<u>\$ 22,037,322</u>
\$ -	\$ 36,003	\$ 600,303
-	968,351	1,151,905
-	1,509,243	2,200,296
-	-	3,589,867
<u>-</u>	<u>2,513,597</u>	<u>7,542,371</u>
-	-	311,012
122,583	6,448,250	8,942,027
-	4,315,540	4,315,540
-	800,022	800,022
-	(968,351)	126,350
<u>122,583</u>	<u>10,595,461</u>	<u>14,494,951</u>
<u>\$ 122,583</u>	<u>\$ 13,109,058</u>	<u>\$ 22,037,322</u>

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**CITY OF IMPERIAL**

## Reconciliation of the Balance Sheet of Governmental

## Funds to the Statement of Net Position

June 30, 2017

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

Total fund balances - governmental funds	\$ 14,494,951
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.	
Deferred Outflows	901,090
Deferred Inflows	(305,276)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,335,410
Certain notes receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.	2,200,296
Long-term debt and compensated absences have not been included in the governmental funds.	
Long-term debt	(20,680,000)
Net pension liability	(2,861,305)
Compensated absences	<u>(313,358)</u>
Net position of governmental activities	<u>\$ 20,771,808</u>

**CITY OF IMPERIAL**

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Governmental Funds

For the Fiscal Year Ended June 30, 2017

	General	RDA Successor Projects	RDA Successor Capital	RDA Successor Housing
<b>REVENUES</b>				
Taxes and assessments	\$ 3,848,361	\$2,012,586	\$ -	\$ -
License and permits	513,112	-	-	-
Intergovernmental	1,494,703	-	-	-
Charges for services	1,822,493	-	-	-
Use of money and property	8,323	928	-	1,972
Fines and forfeitures	110,572	-	-	-
Miscellaneous	243,490	-	-	16,856
Total revenues	<u>8,041,054</u>	<u>2,013,514</u>	<u>-</u>	<u>18,828</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,589,735	-	-	-
Park and recreation	786,178	-	-	-
Public safety	3,263,431	-	-	-
Community development	620,924	23,142	19,760	339
Library	208,464	-	-	-
Public services	1,509,865	-	-	-
Capital outlay	400,010	-	809,062	-
Debt service:				
Principal	-	895,000	-	-
Interest and fiscal charges	-	314,009	-	-
Total expenditures	<u>9,378,607</u>	<u>1,232,151</u>	<u>828,822</u>	<u>339</u>
Excess (deficiency) of revenues over expenditures	<u>(1,337,553)</u>	<u>781,363</u>	<u>(828,822)</u>	<u>18,489</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	708,014	-	828,822	-
Transfers out	-	(250,000)	-	-
Total other financing sources (uses)	<u>708,014</u>	<u>(250,000)</u>	<u>828,822</u>	<u>-</u>
Net change in fund balances	(629,539)	531,363	-	18,489
Fund balances - beginning	<u>1,724,240</u>	<u>256,217</u>	<u>494,565</u>	<u>1,381,572</u>
Fund balances - ending	<u>\$ 1,094,701</u>	<u>\$ 787,580</u>	<u>\$ 494,565</u>	<u>\$ 1,400,061</u>

**CITY OF IMPERIAL**

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Governmental Funds

For the Fiscal Year Ended June 30, 2017

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RDA Successor Debt	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,860,947
-	-	513,112
-	2,978,269	4,472,972
-	-	1,822,493
505	39,831	51,559
-	-	110,572
-	-	260,346
<u>505</u>	<u>3,018,100</u>	<u>13,092,001</u>
-	-	2,589,735
-	72,096	858,274
-	82,159	3,345,590
-	56,518	720,683
-	28,251	236,715
-	461,093	1,970,958
-	156,743	1,365,815
-	-	895,000
-	-	314,009
-	<u>856,860</u>	<u>12,296,779</u>
<u>505</u>	<u>2,161,240</u>	<u>795,222</u>
-	237,564	1,774,400
<u>(828,822)</u>	<u>(675,010)</u>	<u>(1,753,832)</u>
<u>(828,822)</u>	<u>(437,446)</u>	<u>20,568</u>
(828,317)	1,723,794	815,790
<u>950,900</u>	<u>8,871,667</u>	<u>13,679,161</u>
<u>\$ 122,583</u>	<u>\$ 10,595,461</u>	<u>\$ 14,494,951</u>

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**CITY OF IMPERIAL**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of  
Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2017

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

Net Change in Fund Balances - total governmental funds		\$	815,790
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 exceeds capital outlay in the current period.			(622,479)
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.			374,298
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.			
	Proceeds from note issuance	\$	(21,195,000)
	Principal retirement		<u>22,090,000</u>
			895,000
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, this is the difference between accrual-basis pension costs and actual employer contributions.			1,331,772
Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.			<u>12,562</u>
Change in net position of governmental activities		\$	<u>2,806,943</u>

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

	<b>Business-type Activities - Enterprise Funds</b>		
	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 4,736,771	\$ 6,992,855	\$11,729,626
Restricted cash and investments with fiscal agents	1,203,800	994,939	2,198,739
Account receivable, net	437,600	321,355	758,955
Interest receivable	2,287	3,376	5,663
Inventory	85,923	-	85,923
Total current assets	<u>6,466,381</u>	<u>8,312,525</u>	<u>14,778,906</u>
Noncurrent Assets:			
Deferred issuance costs, net	262,505	272,342	534,847
Capital Assets:			
Land	-	79,683	79,683
Depreciable infrastructure, net	5,950,202	6,289,188	12,239,390
Depreciable buildings and improvements, net	3,003,347	2,234,109	5,237,456
Depreciable equipment, net	1,605,807	616,854	2,222,661
Total noncurrent assets	<u>10,821,861</u>	<u>9,492,176</u>	<u>20,314,037</u>
Deferred Outflow of Resources:			
Pension related	38,855	24,979	63,834
Total deferred outflow of resources	<u>38,855</u>	<u>24,979</u>	<u>63,834</u>
Total assets and deferred outflow of resources	<u>17,327,097</u>	<u>17,829,680</u>	<u>35,156,777</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Deposits payable	124,881	248,709	373,590
Accounts payable	77,247	55,534	132,781
Current portion of long-term obligations	830,000	625,000	1,455,000
Total current liabilities	<u>1,032,128</u>	<u>929,243</u>	<u>1,961,371</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term obligations:			
Compensated absences	18,235	14,163	32,398
Certificate of participation payable	8,075,000	8,100,000	16,175,000
Net pension liability	473,416	304,341	777,757
Bond premium	384,650	104,131	488,781
Total noncurrent liabilities	<u>8,951,301</u>	<u>8,522,635</u>	<u>17,473,936</u>
Deferred Inflows of Resources:			
Pension related	(59,725)	(38,395)	(98,120)
Total deferred inflow of resources	<u>(59,725)</u>	<u>(38,395)</u>	<u>(98,120)</u>
Total liabilities and deferred inflow of resources	<u>9,923,704</u>	<u>9,413,483</u>	<u>19,337,187</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,736,011	1,657,984	4,393,995
Unrestricted	4,667,382	6,758,213	11,425,595
Total net position	<u>\$ 7,403,393</u>	<u>\$ 8,416,197</u>	<u>\$15,819,590</u>

**CITY OF IMPERIAL**

## Statement of Revenues, Expenses, and Changes in Net Position

## Proprietary Funds

For the Fiscal Year Ended June 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>
Operating revenues:			
Sales and service	\$ 4,628,796	\$ 3,946,961	\$ 8,575,757
Other	9,852	343,530	353,382
Total operating revenues	<u>4,638,648</u>	<u>4,290,491</u>	<u>8,929,139</u>
Operating expenses:			
Salaries	830,448	570,568	1,401,016
Contractual services	231,110	106,913	338,023
Material and supplies	368,604	488,117	856,721
Repairs and maintenance	436,224	286,782	723,006
Water purchases	97,035	-	97,035
Utilities	149,727	213,975	576,734
Insurance	157,377	157,377	314,754
Depreciation	<u>1,462,461</u>	<u>1,537,559</u>	<u>3,000,020</u>
Total operating expense	<u>3,732,986</u>	<u>3,361,291</u>	<u>7,094,277</u>
Operating Income (loss)	<u>905,662</u>	<u>929,200</u>	<u>1,834,862</u>
Nonoperating revenues (expenses):			
Interest revenue	8,653	11,522	20,175
Interest expense	(451,855)	(398,660)	(850,515)
Transfer In/Out	<u>(10,284)</u>	<u>(10,284)</u>	<u>(20,568)</u>
Total nonoperating revenues (expenses)	<u>(453,486)</u>	<u>(397,422)</u>	<u>(850,908)</u>
Changes in net position	452,176	531,778	983,954
Net position - beginning	<u>6,951,217</u>	<u>7,884,419</u>	<u>14,835,636</u>
Net position - ending	<u>\$ 7,403,393</u>	<u>\$ 8,416,197</u>	<u>\$ 15,819,590</u>

**CITY OF IMPERIAL**

## Statement of Cash Flows

## Proprietary Funds

For the Fiscal Year Ended June 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 4,638,648	\$ 4,290,491	\$ 8,929,139
Cash paid to suppliers for goods and services	(1,432,010)	(1,263,364)	(2,695,374)
Cash paid to employees for services	(830,448)	(570,568)	(1,401,016)
Net cash provided by operating activities	<u>2,376,190</u>	<u>2,456,559</u>	<u>4,832,749</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on long-term debt	(800,000)	(600,000)	(1,400,000)
Interest paid on long-term debt	(451,855)	(398,660)	(850,515)
Net cash used by capital and related financing activities	<u>(1,251,855)</u>	<u>(998,660)</u>	<u>(2,250,515)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of capital assets	(1,055,002)	(845,135)	(1,900,137)
Interest received	8,653	11,522	20,175
Net cash used by investing activities	<u>(1,046,349)</u>	<u>(833,613)</u>	<u>(1,879,962)</u>
Net increase in cash and cash equivalents	77,986	624,286	702,272
Cash and cash equivalents July 1	<u>5,862,585</u>	<u>7,363,508</u>	<u>13,226,093</u>
Cash and cash equivalents June 30	<u>\$ 5,940,571</u>	<u>\$ 7,987,794</u>	<u>\$ 13,928,365</u>
<b>Reconciliation to Statement of Net Position:</b>			
Cash and investments	\$ 4,736,771	\$ 6,992,855	\$ 11,729,626
Restricted cash and investments with fiscal agents	1,203,800	994,939	2,198,739
	<u>\$ 5,940,571</u>	<u>\$ 7,987,794</u>	<u>\$ 13,928,365</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income	<u>\$ 905,662</u>	<u>\$ 929,200</u>	<u>\$ 1,834,862</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation expense	1,462,461	1,537,559	3,000,020
(Increase) decrease in accounts receivable	(62,533)	(40,934)	(103,467)
(Increase) decrease in inventory	-	-	-
(Increase) decrease in due from other funds	-	-	-
(Decrease) increase in accounts payable	(88,858)	(69,368)	(158,226)
(Decrease) increase in compensated absences	2,590	(622)	1,968
(Decrease) increase in net pension liability	104,523	67,194	171,717
(Decrease) increase in deposits payable	52,345	33,530	85,875
Total Adjustments	<u>1,470,528</u>	<u>1,527,359</u>	<u>2,997,887</u>
Net Cash Provided by Operating Activities	<u>\$ 2,376,190</u>	<u>\$ 2,456,559</u>	<u>\$ 4,832,749</u>

**CITY OF IMPERIAL**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2017

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<b>ASSETS</b>	<u>Agency Funds</u>
Cash and investments with fiscal agents	<u>\$ 4,311,088</u>
Total Assets	<u>4,311,088</u>
<b>NET POSITION</b>	
Net Position	<u>\$ 4,311,088</u>



**Notes to  
Basic Financial Statements**

**Note 1 Summary of Significant Accounting Policies**

The financial statements of the City of Imperial (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**a. Reporting Entity**

The City of Imperial is a political subdivision provided for by the General Law of the State of California and, as such, can exercise the powers specified by the Constitution and laws of the State of California. The City was incorporated in 1904 as a general law city. The City operates under a council-manager form of government.

The City of Imperial is a municipal corporation governed by an elected five-member City Council who, in turn, elects one of its members to serve as the Mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the City. The blended component units have a June 30 fiscal year end to coincide with the City's.

**Blended Component Units.** The Successor Redevelopment Agency of the City of Imperial (Agency) project area is bounded in its entirety within the city limits. The Agency is governed by a Board which is comprised of the City Council, and the City Manager serves as the Executive Director of the Agency. Debt is authorized by the Board and is repaid through tax increment financing; bonded debt is not a liability of the City of Imperial. The financial activity of the Agency is reported in the Special Revenue, Housing, Debt Service, and Capital Projects Funds. A separate financial report is not being issued for the Successor Agency. The activity of the Successor Agency is reported in the RDA Funds of the City.

In addition, in May 1994, the Imperial Financing Authority (Authority) was formed in order to provide a funding vehicle for necessary street improvements within the City. The governing board of the Imperial Financing Authority is the City Council, and the City Manager acts as Executive Director. A separate financial report is not being issued for the Imperial Financing Authority. The activity of the Authority is reported in the General Debt Service Fund of the City.

The Imperial Community Facilities District (District) was formed in order to provide funding for necessary community development projects within the City. The City currently has six separate Districts: 2004-1 Victoria, 2004-2 Mayfield, 2004-3 Bratton, 2005-1 Springfield, 2006-1 Monterrey Park, and 2006-2 Savannah Ranch.

**b. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Note 1 Summary of Significant Accounting Policies (Continued)**

**b. Government-wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, fiduciary funds are presented using the accrual basis of accounting. The fiduciary funds do not have a measurement focus.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Imperial Redevelopment Successor Housing Special Revenue Fund – This fund accounts for 20% set-aside property taxes collected by the Agency.

The Imperial Redevelopment Agency Successor Capital Projects Fund – This fund accounts for the financing, construction, and administrative activities of the Agency.

**Note 1 Summary of Significant Accounting Policies (Continued)**

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The Imperial Redevelopment Agency Successor Debt Service Fund – This fund accounts for all of debt service repayment activities of the Agency.

The City reports the following major proprietary funds:

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

The Wastewater Enterprise Fund – This fund accounts for the operation and maintenance of the City’s wastewater collection system including operating costs of the wastewater treatment facility.

Additionally, the City reports the following fund types:

Fiduciary Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are not included in the government-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government’s proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprises Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Note 1 Summary of Significant Accounting Policies (Continued)****d. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity****Cash 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.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts, if applicable, and estimated refunds due.

**Property Taxes**

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

Under California law, property taxes are assessed and collected by the counties at a rate of up to 1% of assessed value, plus other increase approved by the voters. The property taxes are pooled and allocated to cities based on complex formulas prescribed by state statutes. Accordingly, the City accrues only those taxes that are received within 60 days after year end. Taxes are collected by the Imperial County and are remitted to the City periodically.

**Note 1 Summary of Significant Accounting Policies (Continued)**

**d. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity (Continued)**

**Prepaid Items**

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

**Restricted Assets**

Certain proceeds of the City’s long-term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet and statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these bond monies may be invested in accordance with the ordinance; resolutions and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City’s general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City’s general investment policy.

**Capital Assets**

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2017.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	20
Improvements other than buildings	20
Infrastructure	10 to 20
Utility systems	40 to 75
Vehicles	5 to 15
Computer equipment	5
Other equipment and furnishings	5

**Note 1 Summary of Significant Accounting Policies (Continued)**

**d. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity (Continued)**

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. A portion of unused sick leave benefits, varying by employee bargaining unit, vests and is payable upon retirement. For proprietary funds, a current liability is reported for that portion of the estimated value of vacation and sick leave benefits to be used during the subsequent fiscal year, and the estimated value vacation of vested sick leave benefits of employees approaching or at their respective retirement ages. The balance is considered a long-term obligation.

**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 one item which qualifies for reporting in this category, which are the changes of assumptions and changes in proportion and differences between employer's contributions and the proportionate share of contributions calculated by the actuarial study. Deferred outflows of resources are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

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

**Long-Term Obligations**

In the government-wide financial statements and proprietary 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. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest method). The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the life of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts and underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense or in the case of proprietary funds, amortization expense.

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

**Note 1 Summary of Significant Accounting Policies (Continued)**

**d. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity (Continued)**

**Net Position and Fund Equity**

In the Government-wide financial statements and proprietary fund financial statements, net position are reported in three categories: net position invested in capital assets, net of related debt; restricted net position, and unrestricted net position. Restricted net position represent net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. All other net positions are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**e. Estimates**

The preparation of basic 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**f. Reconciliation of Government-wide and Fund Financial Statements**

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes reconciliation between fund balances – governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term debt and compensated absences from the general long-term debt account group have not been included in the governmental fund activity”. The detail of the \$20,680,000 long-term debt difference is as follows:

Long-term debt:	
Tax allocation notes payable	<u>\$ 20,680,000</u>
Net adjustment to reduce fund balances of total governmental funds to arrive at net position of governmental activities	<u>\$ 20,680,000</u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes the reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

**Note 1 Summary of Significant Accounting Policies (Continued)**

**f. Reconciliation of Government-wide and Fund Financial Statements (Continued)**

The details of this \$622,479 difference are as follows:

Capital outlay	\$ 1,365,815
Depreciation expense	<u>(1,988,294)</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (622,479)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. The details of this \$515,000 difference are as follows:

Principal repayments:	
Tax allocation notes	<u>895,000</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 895,000</u>

**g. Effects of New Accounting Pronouncements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

- Statement No. 74 – “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” The provisions of this statement are effective for fiscal years beginning after June 15, 2016. The adoption of this statement had no effect on previously reported amounts.
- Statement No. 77 – “Tax Abatement Disclosures.” The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This pronouncement did not have a material effect on the financial statements of the City.
- Statement No. 78 – “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.” The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This pronouncement did not have a material effect on the financial statements of the City.
- Statement No. 79 – “Certain External Investment Pools and Pool Participants.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015. In Fiscal Year 2017, the City decided not to elect to measure all of its investments at amortized cost for financial reporting purposes, consequently this statement is not currently applicable.
- Statement No. 80 – “Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. This pronouncement did not have a material effect on the financial statements of the City.

**Note 1 Summary of Significant Accounting Policies (Continued)**

**g. Effects of New Accounting Pronouncements (Continued)**

- Statement No. 82 – “Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73.” The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encourage.

GASB Statements Nos. 75, 81, and 83-87 listed below will be implemented in future financial statements:

- Statement No. 75 – “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans.” The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
- Statement No. 81 – “Irrevocable Split-Interest Agreements.” The requirements of this Statement are effective for periods beginning after December 15, 2016.
- Statement No. 83 – “Certain Asset Retirement Obligations.” The requirements of this Statement are effective for periods beginning after June 15, 2018.
- Statement No. 84 – “Fiduciary Activities.” The requirement of this Statement are effective for periods beginning after December 15, 2018.
- Statement No. 85 – “Omnibus 2017.” The requirements of this Statement are effective for periods beginning after June 15, 2017.
- Statement No. 86 – “Certain Debt Extinguishment Issues.” The requirements are affective for periods beginning after June 15, 2017.
- Statement No. 87 – “Leases.” The requirements of this Statement are effective for periods beginning after December 15, 2019.

**h. Fund Balance**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City’s highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

**Note 1 Summary of Significant Accounting Policies (Continued)**

**h. Fund Balance (Continued)**

- Assigned fund balance – amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City’s funds that include amounts not contained in the other classifications.

**Note 2 Stewardship, Compliance, and Accountability**

**a. General Budget Policies**

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior fiscal years, which expenditures constitute legally authorized “non-appropriated budget”. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

3. Formal budgetary integration is employed as a management control device during the fiscal year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations which are encumbered lapse at fiscal year-end, and then are added to the following fiscal year’s budgeted appropriations.
4. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. For the fiscal year ended June 30, 2017, there were no budgets adopted for any of the following funds: Dial-A-Ride, COPS Grant 2011, CDBG Home, Housing Rehab, Sewer Clark Road, Traffic Signal, Joshua Tree Street Improvement, Library Donations, Clark 4 Lane, Aten & Hwy 86, Clark Road Improvement, Imperial County Grants, Library Literacy, COPS Grant 2010, General Housing, Fire Impact, Police Impact, Admin Impact, Library Impact, Park Impact, Circulation Impact, STPL and CMAQ Special Revenue Fund.
5. Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these fund types.
6. Capital projects are budgeted through the Capital Projects Funds. Appropriations for capital projects authorized but not constructed or completed during the fiscal year are carried forward as continuing appropriations into the following fiscal year’s budget.

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 2 Stewardship, Compliance, and Accountability (Continued)**

**b. Deficit Fund Balances, Retained Earnings, and Net Position**

The following funds contained deficit fund balances as of June 30, 2017:

<u>Nonmajor Governmental Funds:</u>	<u>Amount</u>
Special Revenue Funds:	
CDBG Home Grant	\$ 76,856
Prop 1B	164,419
Police Technology Grant	112,075
STPL	615,001

The deficit fund balances will be rectified as fees, such as circulation impact fees, are received. It is the City's intent that the General fund will cover any deficit fund balances where future excess revenues over expenditures are not sufficient to erase the deficit fund balances.

**c. Excess Expenditures over Appropriations**

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2017:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Nonmajor Funds:			
Local Transportation	\$ 5,000	\$ 23,059	\$ 18,059
COPS 2013 Grant	-	28,516	28,516
Asset Forfeiture	-	14,490	14,490
COPS 2014 Grant	-	1,405	1,405
COPS 2016 Grant	-	53,790	53,790
Housing Rehab	-	10,000	10,000
RLA	5,000	51,000	46,000
Wildflower Landscape	3,500	12,708	9,208
Paseo Del Sol Landscape	3,500	10,085	6,585
Library Donations	-	1,089	1,089
Aten / Clark Traffic	-	5,382	5,382
Sky Ranch District	-	49,668	49,668
Library Literacy	-	27,162	27,162
AB 109	-	1,395	1,395
Aviation/Spec Events	-	3,756	3,756
General Loan	8,000	81,521	73,521
CMAQ	-	202,140	202,140
EDA	-	219,129	219,129

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**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	\$ 29,296,966
Cash and investments with fiscal agents	2,507,570
Statement of fiduciary net position:	
Cash and investments with fiscal agents	<u>4,311,088</u>
Total cash and investments	<u>\$ 36,115,624</u>

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

Cash on hand	\$ 450
Deposits with financial institutions	23,236,010
Investments	<u>12,879,164</u>
Total cash and investments	<u>\$ 36,115,624</u>

**A. Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City of Imperial 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.

<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	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
California Local Agency Obligations	5 years	None	None
U.S. Government Agency Issues	5 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
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20%	None
Medium-Term Noted	5 years	30%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million

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

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

**Note 3 Cash and Investments (Continued)**

<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	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
California Local Agency Obligations	5 years	None	None
U.S. Government Agency Issues	5 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
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20%	None
Medium-Term Noted	5 years	30%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million

**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:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool (LAIF)	\$ 6,061,131	\$ 6,061,131	\$ -	\$ -	\$ -
Held by Bond Trustees:					
Money Market Funds	6,818,033	6,818,033	-	-	-
	<u>\$ 12,879,164</u>	<u>\$ 12,879,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 3 Cash and Investments (Continued)**

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State Investment Pool	\$ 6,061,131	N/A	\$ -	\$ -	\$ -	\$ -	\$ 6,061,131
Held by Bond Trustee:							
Money Market Funds	6,818,033		-	6,818,033	-	-	-
<b>Total</b>	<b>\$ 12,879,164</b>		<b>\$ -</b>	<b>\$ 6,818,033</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,061,131</b>

F. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City holds no investment (other than money market funds and LAIF) that represents 5% or more of total City investment.

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.

G. Investment in State Investment Pool

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

**Note 4 Notes Receivable**

Notes receivable in the amount of \$2,200,295 consist of mortgage loans for housing and property rehabilitation and construction. These are all deferred loans which carry no interest rates. Principal balances are due when titles of property are transferred.

**Note 5 Accounts Receivable**

Accounts, taxes, interests, grants and other receivable balances of the General, Special Revenue, Capital Projects, Debt Service, and Fiduciary Funds are stated net of allowances for uncollectible accounts. Uncollectible accounts are not set up for Proprietary Funds because the balances for receivables over 90 days (the period the City uses as a risk of becoming uncollectible) are immaterial. The following is a schedule of receivables applicable at June 30, 2017.

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 5 Accounts Receivable (Continued)**

	Receivable	Allowance	Net
Governmental Activities	<u>\$ 489,646</u>	<u>\$ -</u>	<u>\$ 489,646</u>
Business-type Activities	<u>\$ 758,955</u>	<u>\$ -</u>	<u>\$ 758,955</u>

**Note 6 Interfund Transactions**

**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following presents a summary of current interfund balances at June 30, 2017.

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Nonmajor Governmental Funds:	
General Fund	<u>\$ 968,351</u>	Home Grant	\$ 76,856
Totals	<u>\$ 968,351</u>	Prop 1B	164,419
		Police Technology Grant	112,075
		STPL	615,001
		Totals	<u>\$ 968,351</u>

**B. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditure/expenses on behalf of another fund, less often, an equity transfer may be made to open or close a fund. Transfers totaled \$2,744,761 in the fund financial statements.

Fund	Transfers in	Transfers out
Major Governmental Funds:		
General	\$ 708,014	\$ -
Nonmajor Governmental Funds:		
Traffic Safety	-	2,500
State Gas Tax	-	200,000
Local Transportation	-	5,000
LTA Measure D	5,382	94,308
Prop 172	9,375	71,471
Asset Forfeiture	10,667	-
COPS 2013	-	14,875
COPS 2016	-	24,000
Housing Rehab	-	10,000
RLA	10,000	5,000
Wildflower	-	3,500
Paseo Del Sol	-	3,500
Aten / Clark Traffic	-	5,382
COPS 2015	-	25,334
General Loan	-	8,000
STPL	202,140	-
CMAQ	-	202,140
Successor Agency	-	250,000
Successor RDA Project Fund	828,822	-
Successor RDA Debt Service	-	828,822
Enterprise Funds:		
Water	395,332	10,284
Water - Capacity	17,196	395,332
Water - Bond	-	17,196
Wastewater	557,833	10,284
Wastewater Capacity	-	557,833
Totals	<u>\$ 2,744,761</u>	<u>\$ 2,744,761</u>

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 7 Capital Assets**

**a. Governmental Activities**

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

	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
<b>Capital Assets, not being depreciated:</b>				
Land	\$ 3,329,400	\$ -	\$ -	\$ 3,329,400
Total Capital Assets, not being depreciated	<u>3,329,400</u>	<u>-</u>	<u>-</u>	<u>3,329,400</u>
<b>Capital Assets, being depreciated:</b>				
Equipment and machinery	6,429,473	184,085	-	6,613,558
Infrastructure	36,545,014	1,181,730	-	37,726,744
Total Capital Assets, being depreciated	<u>42,974,487</u>	<u>1,365,815</u>	<u>-</u>	<u>44,340,302</u>
Less accumulated depreciation for:				
Equipment and machinery	(4,768,042)	(594,561)	-	(5,362,603)
Infrastructure	(13,577,956)	(1,393,733)	-	(14,971,689)
Total accumulated depreciation	<u>(18,345,998)</u>	<u>(1,988,294)</u>	<u>-</u>	<u>(20,334,292)</u>
Total Capital Assets, being depreciated, Net	<u>24,628,489</u>	<u>(622,479)</u>	<u>-</u>	<u>24,006,010</u>
<b>Total Capital Assets, Net</b>	<u>\$ 27,957,889</u>	<u>\$ (622,479)</u>	<u>\$ -</u>	<u>\$ 27,335,410</u>

Depreciation expense is shown on the City's governmental activities as unallocated in the amount of \$1,988,294.

**b. Business-type activities**

Capital asset business-type activity for the fiscal year ended June 30, 2017 was as follows:

	Balance at July 1, 2016	Additions	Disposals	Balance at June 30, 2017
<b>Water Fund:</b>				
Capital Assets, being depreciated:				
Infrastructure	\$ 11,557,184	\$ 456,666	\$ -	\$ 12,013,850
Buildings and improvements	10,344,831	-	-	10,344,831
Equipment and machinery	3,789,130	598,336	-	4,387,466
Total Capital Assets, being depreciated	<u>25,691,145</u>	<u>1,055,002</u>	<u>-</u>	<u>26,746,147</u>
Less accumulated depreciation for:				
Infrastructure	(5,552,186)	(511,462)	-	(6,063,648)
Buildings and improvements	(6,987,945)	(353,539)	-	(7,341,484)
Equipment and machinery	(2,142,986)	(638,673)	-	(2,781,659)
Total accumulated depreciation	<u>(14,683,117)</u>	<u>(1,503,674)</u>	<u>-</u>	<u>(16,186,791)</u>
<b>Water Fund Capital Assets, net</b>	<u>\$ 11,008,028</u>	<u>\$ (448,672)</u>	<u>\$ -</u>	<u>\$ 10,559,356</u>

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 7 Capital Assets (Continued)**

**b. Business-type activities (Continued)**

**Wastewater Fund:**

Capital Assets, not being depreciated:

Land	\$ 79,683	\$ -	\$ -	\$ 79,683
Total Capital Assets, not being depreciated	<u>79,683</u>	<u>-</u>	<u>-</u>	<u>79,683</u>

Capital Assets, being depreciated:

Infrastructure	12,647,314	557,833	-	13,205,147
Buildings and improvements	8,063,593	-	-	8,063,593
Equipment and machinery	<u>1,141,621</u>	<u>287,302</u>	<u>-</u>	<u>1,428,923</u>
Total Capital Assets, being depreciated	<u>21,852,528</u>	<u>845,135</u>	<u>-</u>	<u>22,697,663</u>

Less accumulated depreciation for:

Infrastructure	(5,896,253)	(1,019,706)	-	(6,915,959)
Buildings and improvements	(5,487,945)	(341,539)	-	(5,829,484)
Equipment and machinery	<u>(624,599)</u>	<u>(187,470)</u>	<u>-</u>	<u>(812,069)</u>
Total accumulated depreciation	<u>(12,008,797)</u>	<u>(1,548,715)</u>	<u>-</u>	<u>(13,557,512)</u>

**Wastewater Fund Capital Assets, net**

**Total Capital Assets, Net**

	<u>\$ 9,923,414</u>	<u>\$ (703,580)</u>	<u>\$ -</u>	<u>\$ 9,219,834</u>
	<u>\$ 20,931,442</u>	<u>\$ (1,152,252)</u>	<u>\$ -</u>	<u>\$ 19,779,190</u>

Depreciation expenses are \$1,503,674 for the Water Fund and \$1,548,715 for the Wastewater Fund.

**Note 8 Long-Term Liabilities**

**a. Governmental Activities**

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2017:

	Balance at June 30, 2016	Additions	Repayments	Balance at June 30, 2017	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 325,920	\$ -	\$ (12,562)	\$ 313,358	\$ -
2005 RDA tax allocation notes	7,260,000	-	(7,260,000)	-	-
2008 RDA tax allocation notes	14,315,000	-	(14,315,000)	-	-
2016 A Series RDA tax allocation notes	-	6,050,000	(215,000)	5,835,000	220,000
2016 B Series RDA tax allocation notes	-	<u>15,145,000</u>	<u>(300,000)</u>	<u>14,845,000</u>	<u>520,000</u>
Total	<u>\$ 21,900,920</u>	<u>\$ 21,195,000</u>	<u>\$ (22,102,562)</u>	<u>\$ 20,993,358</u>	<u>\$ 740,000</u>
<b>Business-type Activities:</b>					
<b>Water Fund:</b>					
Compensated absences	\$ 15,645	\$ 2,590	\$ -	\$ 18,235	\$ -
2005 Certificates of participation	1,705,000	-	(55,000)	1,650,000	55,000
2012 Certificates of participation	8,000,000	-	(745,000)	7,255,000	775,000
2012 Bond premium	425,862	-	(41,212)	384,650	-
<b>Wastewater Fund:</b>					
Compensated absences	14,785	-	(622)	14,163	-
2005 Certificates of participation	2,250,000	-	(70,000)	2,180,000	75,000
2012 Certificates of participation	7,075,000	-	(530,000)	6,545,000	550,000
2012 Bond premium	<u>115,287</u>	<u>-</u>	<u>(11,156)</u>	<u>104,131</u>	<u>-</u>
Total	<u>\$ 19,601,579</u>	<u>\$ 2,590</u>	<u>\$ (1,452,990)</u>	<u>\$ 18,151,179</u>	<u>\$ 1,455,000</u>

**CITY OF IMPERIAL**

## Notes to Basic Financial Statements

June 30, 2017

**Note 8 Long-Term Liabilities (Continued)****2016 Series A Tax Allocation Notes**

On May 18, 2016, the Successor Agency of the City of Imperial (the "Agency") issued \$6,050,000 refunding the 2005 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 30, 2037. As of June 30, 2017, the outstanding principal balance is \$5,835,000.

**2016 Series B Tax Allocation Notes**

On May 18, 2016, the Successor Agency of the City of Imperial (the "Agency") issued \$15,145,000 refunding the 2008 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on December 1, 2037. As of June 30, 2017, the outstanding principal balance is \$14,845,000.

**b. Long-Term Debt Amortization – Governmental Activities**

The annual requirements to amortize long-term debt outstanding at June 30, 2017 (other than compensated absences) are as follows:

Fiscal Year Ended June 30,	2016 Series A - Tax Allocation Notes		
	Principal	Interest	Total
2018	220,000	198,250	418,250
2019	225,000	192,675	417,675
2020	225,000	187,050	412,050
2021	225,000	182,550	407,550
2022	245,000	177,850	422,850
2023 - 2027	1,285,000	801,900	2,086,900
2028 - 2032	1,535,000	533,500	2,068,500
2033 - 2037	1,875,000	193,500	2,068,500
	<u>5,835,000</u>	<u>2,467,275</u>	<u>8,302,275</u>

Fiscal Year Ended June 30,	2016 Series B - Tax Allocation Notes		
	Principal	Interest	Total
2018	520,000	483,979	1,003,979
2019	525,000	477,119	1,002,119
2020	530,000	468,544	998,544
2021	545,000	458,456	1,003,456
2022	550,000	446,819	996,819
2023 - 2027	2,980,000	2,002,187	4,982,187
2028 - 2032	3,495,000	1,465,434	4,960,434
2033 - 2038	5,700,000	762,800	6,462,800
	<u>\$ 14,845,000</u>	<u>\$ 6,565,338</u>	<u>\$ 21,410,338</u>

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 8 Long-Term Liabilities (Continued)**

**b. Long-Term Debt Amortization – Governmental Activities (Continued)**

Fiscal Year Ended June 30,	Total Governmental Long Term Debt		
	Principal	Interest	Total
2018	740,000	682,229	1,422,229
2019	750,000	669,794	1,419,794
2020	755,000	655,594	1,410,594
2021	770,000	641,006	1,411,006
2022	795,000	624,669	1,419,669
2023 - 2027	4,265,000	2,804,087	7,069,087
2028 - 2032	5,030,000	1,998,934	7,028,934
2033 - 2037	7,575,000	956,300	8,531,300
	<u>\$ 20,680,000</u>	<u>\$ 9,032,613</u>	<u>\$ 29,712,613</u>

**c. Business -type Activities**

**Water/Wastewater Parity 2005 COP**

On November 1, 2005, the City issued the Parity 2005 certificates of participation in the amount of \$2,160,000 for the water facility and \$2,845,000 for the wastewater facility. The proceeds were used to finance certain capital improvements to the City’s water and wastewater systems. Interest will be payable semi-annually on April and October 15 commencing on April 15, 2006. As of June 30, 2017, the balances remaining for Water and Wastewater Refunding are \$1,650,000, and \$2,180,000 respectively.

**Water/Wastewater 2012 COP**

On April 1, 2012, the City issued the 2012 certificates of participation in the amount of \$10,065,000 for the water facility and \$8,550,000 for the wastewater facility. The proceeds of the sale will be used together with other available moneys to provide funds to the City to prepay and defease on a current basis the City’s Refunding Certificates of Participation Series 2001 of which \$7,190,000 (water) and \$4,995,000 remained outstanding, and to finance certain capital improvements to the City’s water and wastewater system, to fund a reserve fund for the Bonds, and to pay certain costs of issuing the Bonds. Interest will be payable semi-annually on April and October 15 commencing on October 15, 2012. As of June 30, 2017, the balances remaining for Water and Wastewater Refunding are \$7,255,000 and \$6,545,000 respectively.

**d. Business-type Long-Term Debt Amortization**

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

Fiscal Year Ending June 30,	2005 Certificates of Participation (Water)		
	Principal	Interest	Total
2018	55,000	76,660	131,660
2019	60,000	74,391	134,391
2020	60,000	71,871	131,871
2021-2025	350,000	316,491	666,491
2026-2030	445,000	226,813	671,813
2031-2035	550,000	111,625	661,625
2036	130,000	6,175	136,175
	<u>\$ 1,650,000</u>	<u>\$ 884,026</u>	<u>\$ 2,534,026</u>

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 8 Long-Term Liabilities (Continued)**

**d. Business-type Long-Term Debt Amortization (Continued)**

Fiscal Year Ending June 30,	2005 Certificates of Participation (Wastewater)		
	Principal	Interest	Total
2018	75,000	101,254	176,254
2019	80,000	98,160	178,160
2020	80,000	94,800	174,800
2021-2025	465,000	416,770	881,770
2026-2030	575,000	299,250	874,250
2031-2035	735,000	148,200	883,200
2036	170,000	8,075	178,075
	<u>\$ 2,180,000</u>	<u>\$ 1,166,509</u>	<u>\$ 3,346,509</u>

Fiscal Year Ending June 30,	2012 Certificates of Participation (Water)		
	Principal	Interest	Total
2018	775,000	335,363	1,110,363
2019	805,000	304,362	1,109,362
2020	845,000	264,113	1,109,113
2021-2025	3,395,000	799,500	4,194,500
2026-2027	1,435,000	108,500	1,543,500
	<u>\$ 7,255,000</u>	<u>\$ 1,811,838</u>	<u>\$ 9,066,838</u>

Fiscal Year Ending June 30,	2012 Certificates of Participation (Wastewater)		
	Principal	Interest	Total
2018	550,000	261,800	811,800
2019	565,000	245,300	810,300
2020	580,000	228,350	808,350
2021-2025	3,320,000	736,825	4,056,825
2026-2027	1,530,000	98,175	1,628,175
	<u>\$ 6,545,000</u>	<u>\$ 1,570,450</u>	<u>\$ 8,115,450</u>

Fiscal Year Ending June 30,	Total Business-type Funds Long Term Debt		
	Principal	Interest	Total
2018	1,455,000	775,077	2,230,077
2019	1,510,000	722,213	2,232,213
2020	1,565,000	659,134	2,224,134
2021-2025	7,530,000	2,269,586	9,799,586
2026-2030	3,985,000	732,738	4,717,738
2031-2035	1,285,000	259,825	1,544,825
2036	300,000	14,250	314,250
	<u>\$ 17,630,000</u>	<u>\$ 5,432,823</u>	<u>\$ 23,062,823</u>

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

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**Note 9      Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the City recognized deferred outflows of resources in the government wide and proprietary fund statements. These items are a consumption of net position by the City that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City has one item that is reportable on the government-wide Statement of Net Position and is related to outflows from changes in the net pension liability due to pension contributions subsequent to measurement date. Deferred outflows of resources that are reported in the proprietary funds are included in the government-wide Statement of Net Position.

Deferred outflows of resources balances for the year ended June 30, 2017 were as follows:

Government-wide Deferred Outflows	
Governmental Activities	
Pensions	\$ 901,090
Total Governmental Activities	<u>\$ 901,090</u>
Business-type Activities	
Pensions	\$ 63,834
Total Business-type Activities	<u>63,834</u>
Total Governmentwide Deferred Outflows	<u>\$ 964,924</u>

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the City recognized deferred inflows of resources in the government-wide, governmental fund, and proprietary fund statements. These items are an acquisition of net position by the City that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City has one item that is reportable on the government-wide Statement of Net Position and is related to inflows from changes in the net pension liability. Deferred inflows of resources that are reported in the proprietary funds are included in the government-wide Statement of Net Position.

Deferred inflows of resources balances for the year ended June 30, 2017 were as follows:

Government-wide Deferred Inflows	
Governmental Activities	
Pensions	\$ 305,276
Total Governmental Activities	<u>\$ 305,276</u>
Business-type Activities	
Pensions	\$ (98,120)
Total Business-type Activities	<u>(98,120)</u>
Total Governmentwide Deferred Inflows	<u>\$ 207,156</u>

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 10 Defined Benefit Pension Plan**

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

*A. General Information about the Pension Plan*

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

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

*Employees Covered* - At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	City Misc Plan		City Safety Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 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	55	62	50	62
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	3.0%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%	9.00%	11.50%
Required employer contribution rates	6.709%	6.237%	13.813%	6.237%

*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.

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 10 Defined Benefit Pension Plan (Continued)**

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

As of June 30, 2017, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension	
Misc. Plan	Safety Plan
\$ 1,497,198	\$ 2,141,864

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:

	City Miscellaneous Plan	City Safety Plan
Proportion - June 30, 2015	0.03591%	0.04491%
Proportion - June 30, 2016	0.04310%	0.04135%
Change - Increase (Decrease)	0.00719%	-0.00356%

For the fiscal year ended June 30, 2017, the Local Government recognized pension expense of \$410,444. At June 30, 2017, the City 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	298,674	
Net differences between projected and actual earnings on pension plan investments	816,827	
Difference between actual vs proportionate contribution	25,534	
Changes in assumptions		(162,624)
Difference in actual experience	4,989	(23,254)
Adjustment due to differences in proportions		(202,378)
Total	<u>1,146,024</u>	<u>(388,256)</u>

\$298,674 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

**Note 10 Defined Benefit Pension Plan (Continued)**

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

Fiscal Year Ended	
<u>June 30,</u>	
2018	\$ (83,001)
2019	(42,786)
2020	372,657
2021	<u>212,224</u>
Total	<u>\$ 459,094</u>

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:

	<u>Miscellaneous</u>	<u>Safety</u>
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	

- (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, 2014 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

*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.

**Note 10 Defined Benefit Pension Plan (Continued)**

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

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

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

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

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	19.00%	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	2.00%	-0.55%	-1.05%
Total	100.00%		

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

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

*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:

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

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**Note 10 Defined Benefit Pension Plan (Continued)**

	Miscellaneous	Safety
1% Decrease	6.65%	6.65%
Net Pension Liability	\$2,332,595	\$3,206,288
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 1,497,198	\$ 2,141,864
1% Increase	8.65%	8.65%
Net Pension Liability	\$806,784	\$1,268,081

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

**Note 11 Deferred Compensation**

The City has established a Deferred Compensation Plan and Trust as provided in Section 457 of the Internal Revenue Code of 1986, as amended. The City, acting as trustee of this plan, has agreed to perform its services as trustee in accordance with, and as necessary limited to comply with, applicable law. All amounts of compensation deferred pursuant to the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of participants and beneficiaries under the plan.

**Note 12 Risk Management**

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. The City has had no settlements which exceeded insurance coverage in the last three fiscal years.

**Note 13 Net Position**

GASB Statement No. 34 adds the concept of net position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

**a. Net Position**

Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position as determined at the government-wide level, and are described below:

*Invested in Capital Assets, net of related debt* 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 which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.

*Unrestricted* describes the portion of net position which is not restricted as to use.

**Note 14 Fund Balance Reporting**

GASB 54 provides for two major fund types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The City does not have any prepaid items or nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: fund balances that are constrained by external parties, constitutional provisions or enabling legislation.

Committed: fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council (the Agency's highest level of decision making authority).

Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The City has classified its fund balances with the following hierarchy:

Nonspendable: The City has land held for resale totaling \$311,012 that is classified as nonspendable.

Restricted: The City has funds totaling \$8,942,027 that are classified as restricted.

Committed: The City has funds totaling \$4,315,540 that are classified as committed.

Assigned: The City has funds totaling \$800,022 that are classified as assigned.

Unassigned: The City has funds totaling \$126,350 that are classified as unassigned.

**Note 15 Contingent Liabilities**

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

The City is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of City operations. In the aggregate, those claims seek monetary damages in significant amounts. To the extent the outcome of such litigation may be determined to result in financial loss to the City, in the opinion of City management, any potential liability for these actions is adequately provided for in the basic financial statements. The timing of potential payment of such losses cannot presently be determined.

**SERAF Contingency**

During the fiscal year 2008-2009, the State of California experienced a severe budgetary crisis. Various "budget trailer bills" were passed by the state legislature to balance the state's budget, including bills that required California redevelopment agencies to transfer funds to the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) administered by the various county auditor-controllers. Noted below is a general explanation of the ERAF and SERAF legislation, together with the effect of this legislation on the Imperial Redevelopment Agency (the Agency).

**Note 15 Contingent Liabilities (Continued)****SERAF Contributions**

Pursuant to AB 26 4x, a budget trailer bill, California redevelopment agencies were required to make SERAF contributions totaling \$1.7 billion for the fiscal year 2009-2010 and \$350 million for the fiscal year 2010-2011. Under AB 26 4x, agencies may borrow a portion of the required contributions from their low and moderate income housing fund. Alternatively, sponsoring governmental agencies (the cities or counties) may elect to pay the SERAF contributions on behalf of their redevelopment agencies. On October 20, 2009, the (CRA) filed a class action lawsuit on behalf of all California redevelopment agencies challenging the SERAF obligations as unconstitutional.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 (“The Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. 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 30, 2013, 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.

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.

**ERAF Contribution**

Pursuant to AB 1389, a budget trailer bill, California redevelopment agencies were required to make ERAF contributions totaling \$350 million.

In response to AB 1389, the California Redevelopment Association (CRA) filed a lawsuit against the State of California (California Redevelopment Association et al v. Genest), challenging the constitutionality of the required ERAF contributions. On April 30, 2009, the Sacramento Superior Court held in favor of CRA, ruling that AB 1389 was unconstitutional. On September 28, 2009, the State of California announced its decision not to appeal the decision in “Genest”. Accordingly, the Superior Court’s decision is now final and binding, and California redevelopment agencies will not be required to make the ERAF contributions pursuant to AB 1389.

**CITY OF IMPERIAL**

Notes to Basic Financial Statements

June 30, 2017

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**Note 16 Prior Period Adjustments**

An adjustment was posted to reflect loans that were issued during prior years for the first time home buyer program. The effect of the adjustment is to increase notes receivable and deferred income for special revenue funds by \$398,867. The adjustment had no effect on fund balance.

**Note 17 Subsequent Events**

Management has evaluated subsequent events through June 19, 2018, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**Required Supplementary Information**

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## General Fund

For the Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 1,601,860	\$ 1,601,860	\$ 1,543,967	\$ (57,893)
Sales	1,992,244	1,992,244	2,019,363	27,119
Franchise	260,000	260,000	238,106	(21,894)
Other	57,332	57,332	46,925	(10,407)
Licenses and permits	342,185	342,185	513,112	170,927
Fines and penalties	97,000	97,000	110,572	13,572
Intergovernmental	1,542,050	1,542,050	1,494,703	(47,347)
Charges for services	1,884,600	1,884,600	1,822,493	(62,107)
Interest	2,500	2,500	8,323	5,823
Other revenue	202,650	202,650	243,490	40,840
Total revenue	<u>7,982,421</u>	<u>7,982,421</u>	<u>8,041,054</u>	<u>58,633</u>
<b>EXPENDITURES</b>				
General government:				
Council	45,911	45,911	53,444	(7,533)
Clerk	118,446	118,446	105,571	12,875
Attorney	150,350	150,350	91,313	59,037
Manager	230,272	230,272	226,388	3,884
Financial services	469,096	469,096	373,711	95,385
Human resources	636,316	636,316	601,446	34,870
Non-departmental	854,300	854,300	1,137,862	(283,562)
Total general government	<u>2,504,691</u>	<u>2,504,691</u>	<u>2,589,735</u>	<u>(85,044)</u>
Public services				
Public services management	87,436	87,436	71,501	15,935
Buildings and grounds	57,500	57,500	44,220	13,280
Streets	454,783	454,783	327,316	127,467
Storm Drains	72,850	72,850	43,874	28,976
Sanitation	941,000	941,000	1,088,300	(147,300)
Total public services	<u>1,613,569</u>	<u>1,613,569</u>	<u>1,575,211</u>	<u>38,358</u>
Public safety				
Police	2,550,621	2,550,621	2,363,080	187,541
Fire	946,000	946,000	833,154	112,846
Animal control	70,676	70,676	67,197	3,479
Total public safety	<u>3,567,297</u>	<u>3,567,297</u>	<u>3,263,431</u>	<u>303,866</u>

(Continued)

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## General Fund

For the Fiscal Year Ended June 30, 2017

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Culture and leisure				
Pool	\$ 51,078	51,078	\$ 71,383	\$ (20,305)
Parks	707,277	707,277	839,631	(132,354)
Library	229,798	229,798	208,464	21,334
Successor Agency	109,180	109,180	184,828	(75,648)
Total culture and leisure	<u>1,097,333</u>	<u>1,097,333</u>	<u>1,304,306</u>	<u>(206,973)</u>
Planning and development				
Planning	378,194	378,194	292,530	85,664
Building and safety	103,717	103,717	122,335	(18,618)
Engineering	235,466	235,466	231,059	4,407
Total planning and development	<u>717,377</u>	<u>717,377</u>	<u>645,924</u>	<u>71,453</u>
Total expenditures	<u>9,500,267</u>	<u>9,500,267</u>	<u>9,378,607</u>	<u>121,660</u>
Excess (deficiency) of revenues over expenditures	<u>(1,517,846)</u>	<u>(1,517,846)</u>	<u>(1,337,553)</u>	<u>180,293</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
Transfers in	<u>1,227,101</u>	<u>1,227,101</u>	<u>708,014</u>	<u>(519,087)</u>
Total other financing sources (uses)	<u>1,227,101</u>	<u>1,227,101</u>	<u>708,014</u>	<u>(519,087)</u>
Net change in fund balance	(290,745)	(290,745)	(629,539)	(338,794)
Fund balance - beginning	<u>1,724,240</u>	<u>1,724,240</u>	<u>1,724,240</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,433,495</u>	<u>\$ 1,433,495</u>	<u>\$ 1,094,701</u>	<u>\$ (338,794)</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
 Redevelopment Agency Successor Housing Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2017

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 1,972	\$ 1,972
Other	-	-	16,856	16,856
Total Revenues	-	-	18,828	18,828
<b>EXPENDITURES</b>				
Curent:				
Community development	-	-	339	(339)
Total Expenditures	-	-	339	(339)
Excess (deficiency) of revenues over expenditures	-	-	18,489	18,489
Net change in fund balance	-	-	18,489	18,489
Fund balance - beginning	1,381,572	1,381,572	1,381,572	-
Fund balance - ending	<u>\$ 1,381,572</u>	<u>\$ 1,381,572</u>	<u>\$ 1,400,061</u>	<u>\$ 18,489</u>

# CITY OF IMPERIAL

## Cost Sharing Defined Benefit Pension Plans For the Fiscal Year Ended June 30, 2017

### Cost Sharing Defined Benefit Pension Plans

#### Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years\*

	June 30, 2017		June 30, 2016		June 30, 2015	
	Miscellaneous Plan	Safety Plan	Miscellaneous Plan	Safety Plan	Miscellaneous Plan	Safety Plan
Proportion of the net pension liability	0.04310%	0.04135%	0.03591%	0.04491%	0.05532%	0.04857%
Proportionate share of the net pension liability	\$ 1,497,198	\$ 2,141,864	\$ 985,073	\$ 1,850,541	\$ 1,367,153	\$ 1,821,888
Covered-employee payroll	\$ 1,739,004	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	86.10%	202.19%	59.97%	179.17%	82.80%	169.44%
Plan's fiduciary net position	\$ 6,695,486	\$ 4,662,680	\$ 6,449,768	\$ 5,357,528	\$ 5,663,481	\$ 5,067,491
Plan's total pension liability	\$ 8,192,684	\$ 6,804,544	\$ 7,434,841	\$ 7,208,069	\$ 7,030,634	\$ 6,889,379
Plan fiduciary net position as a percentage of total pension liability	81.73%	68.52%	86.75%	74.33%	80.55%	73.56%

#### **Notes to Schedule**

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

#### **Change in Assumptions: None**

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

	June 30, 2017		June 30, 2016		June 30, 2015	
	Miscellaneous Plan	Safety Plan	Miscellaneous Plan	Safety Plan	Miscellaneous Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 249,335	\$ 161,109	\$ 223,103	\$ 182,273	\$ 313,414	\$ 374,623
Contributions in relation to the actuarially determined contributions	(249,335)	(161,109)	(223,103)	(182,273)	(313,414)	(374,623)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,739,004	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Contributions as a percentage of covered employee payroll	14.34%	15.21%	13.58%	17.65%	18.98%	34.84%

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

**CITY OF IMPERIAL**

Cost Sharing Defined Benefit Pension Plans

For the Fiscal Year Ended June 30, 2017

(Continued)

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**Cost Sharing Defined Benefit Pension Plans**

**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.

## **Other Supplemental Information**



**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
 Redevelopment Agency Successor Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2017

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Curent:				
Community development	-	-	19,760	(19,760)
Capital			809,062	
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	828,822	(828,822)
Excess (deficiency) of revenues over expenditures	-	-	(828,822)	(828,822)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	828,822	828,822
Total Other Financing Sources (Uses)	-	-	828,822	828,822
Net change in fund balance	-	-	-	-
Fund balance - beginning	494,565	494,565	494,565	-
Fund balance - ending	\$ 494,565	\$ 494,565	\$ 494,565	\$ -

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
 Redevelopment Agency Successor Debt Service Fund  
 For the Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 505	\$ 505
Total Revenues	-	-	505	505
<b>EXPENDITURES</b>				
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	505	505
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(828,822)	(828,822)
Total Other Financing Sources (Uses)	-	-	(828,822)	(828,822)
Net change in fund balance	-	-	(828,317)	(828,317)
Fund balance - beginning	950,900	950,900	950,900	-
Fund balance - ending	\$ 950,900	\$ 950,900	\$ 122,583	\$ (828,317)

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
 Redevelopment Agency Successor Projects Fund  
 For the Fiscal Year Ended June 30, 2017

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 2,012,586	\$ 2,012,586
Use of money and property	-	-	928	928
Other	-	-	-	-
Total Revenues	-	-	2,013,514	2,013,514
<b>EXPENDITURES</b>				
Curent:				
Community development	-	-	1,232,151	(1,232,151)
Total Expenditures	-	-	1,232,151	(1,232,151)
Excess (deficiency) of revenues over expenditures	-	-	781,363	781,363
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(250,000)	(250,000)
Total Other Financing Sources (Uses)	-	-	(250,000)	(250,000)
Net change in fund balance	-	-	531,363	531,363
Fund balance - beginning	256,217	256,217	256,217	-
Fund balance - ending	\$ 256,217	\$ 256,217	\$ 787,580	\$ 531,363

**CITY OF IMPERIAL**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	<b>Traffic Congestion Relief</b>	<b>Traffic Safety</b>	<b>Gas Tax</b>	<b>Local Transportation</b>	<b>Dial - A - Ride</b>	<b>LTA Measure D</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10	\$ 4,169	\$ 321,989	\$ 599,957	\$ 14,607	\$ 4,083,899
Receivables:						
Accounts	-	-	-	-	-	8,630
Notes	-	-	-	-	-	-
Interest	-	2	155	289	-	1,932
Total assets	<u>\$ 10</u>	<u>\$ 4,171</u>	<u>\$ 322,144</u>	<u>\$ 600,246</u>	<u>\$ 14,607</u>	<u>\$ 4,094,461</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 229	\$ -	\$ 13,060
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>-</u>	<u>13,060</u>
<b>FUND BALANCE</b>						
Restricted for:						
Public safety	-	-	-	-	-	-
Streets and roads	10	4,171	322,144	600,017	-	4,081,401
Community development	-	-	-	-	14,607	-
Low and mod income housing	-	-	-	-	-	-
Lighting and landscaping	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>10</u>	<u>4,171</u>	<u>322,144</u>	<u>600,017</u>	<u>14,607</u>	<u>4,081,401</u>
Total liabilities and fund balances (deficit)	<u>\$ 10</u>	<u>\$ 4,171</u>	<u>\$ 322,144</u>	<u>\$ 600,246</u>	<u>\$ 14,607</u>	<u>\$ 4,094,461</u>

<b>Public Safety Prop 172</b>	<b>COPS Grant 2013</b>	<b>Asset Forfeiture</b>	<b>COPS Grant 2014</b>	<b>COPS Grant 2016</b>	<b>HOME Grant</b>	<b>Housing Rehab</b>	<b>ED CDBG</b>	<b>RLA</b>
\$ 16,773	\$ 44,172	\$ 2,342	\$ 30,946	\$ 38,335	\$ -	\$ 47,617	\$ 50	\$ 16,906
-	-	-	-	-	-	-	-	-
-	-	-	-	-	802,310	333,837	-	163,684
8	22	1	15	18	-	23	-	6
<u>\$ 16,781</u>	<u>\$ 44,194</u>	<u>\$ 2,343</u>	<u>\$ 30,961</u>	<u>\$ 38,353</u>	<u>\$ 802,310</u>	<u>\$ 381,477</u>	<u>\$ 50</u>	<u>\$ 180,596</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,047	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	76,856	-	-	-
-	-	-	-	-	802,310	333,837	-	163,684
-	-	-	-	4,047	879,166	333,837	-	163,684
16,781	44,194	2,343	30,961	34,306	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	50	-
-	-	-	-	-	-	47,640	-	16,912
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(76,856)	-	-	-
<u>16,781</u>	<u>44,194</u>	<u>2,343</u>	<u>30,961</u>	<u>34,306</u>	<u>(76,856)</u>	<u>47,640</u>	<u>50</u>	<u>16,912</u>
<u>\$ 16,781</u>	<u>\$ 44,194</u>	<u>\$ 2,343</u>	<u>\$ 30,961</u>	<u>\$ 38,353</u>	<u>\$ 802,310</u>	<u>\$ 381,477</u>	<u>\$ 50</u>	<u>\$ 180,596</u>

Continued

**CITY OF IMPERIAL**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017  
(Continued)

	<u>Wildflower Landscape Lighting</u>	<u>Paseo Del Sol Landscape Lighting</u>	<u>Joshua Tree Street Improvement</u>	<u>Library Donations</u>	<u>COPS Grant 2015</u>	<u>Sky Ranch District</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 50,932	\$ 114,661	\$ 31,287	\$ 2,453	\$ 21,242	\$ 986,068
Receivables:						
Accounts	-	-	-	-	-	-
Notes	-	-	-	-	-	-
Interest	24	55	-	-	10	476
Total assets	<u>\$ 50,956</u>	<u>\$ 114,716</u>	<u>\$ 31,287</u>	<u>\$ 2,453</u>	<u>\$ 21,252</u>	<u>\$ 986,544</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,063	\$ 63	\$ -	\$ -	\$ 1,165	\$ 14,376
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>1,063</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>1,165</u>	<u>14,376</u>
<b>FUND BALANCE</b>						
Restricted for:						
Public safety	-	-	-	-	20,087	-
Streets and roads	-	-	31,287	-	-	-
Community development	-	-	-	-	-	-
Low and mod income housing	-	-	-	-	-	-
Lighting and landscaping	49,893	114,653	-	-	-	972,168
Parks and recreation	-	-	-	2,453	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>49,893</u>	<u>114,653</u>	<u>31,287</u>	<u>2,453</u>	<u>20,087</u>	<u>972,168</u>
Total liabilities and fund balances (deficit)	<u>\$ 50,956</u>	<u>\$ 114,716</u>	<u>\$ 31,287</u>	<u>\$ 2,453</u>	<u>\$ 21,252</u>	<u>\$ 986,544</u>

<b>Prop 1B</b>	<b>Library Literacy</b>	<b>Police Technology Grant</b>	<b>Austin Worthington</b>	<b>AB 109 FUNDING</b>	<b>AVIATION Special/Events</b>	<b>General Loans</b>	<b>Fire Impact Fees</b>	<b>Police Impact Fees</b>
\$ -	\$ 71,613	\$ -	\$ 95,750	\$ 839	\$ 1,563	\$573,648	\$ 19,878	\$637,354
-	-	-	-	-	-	-	2,443	5,086
-	-	-	-	-	-	209,412	-	-
-	35	-	-	-	-	-	9	308
<u>\$ -</u>	<u>\$ 71,648</u>	<u>\$ -</u>	<u>\$ 95,750</u>	<u>\$ 839</u>	<u>\$ 1,563</u>	<u>\$783,060</u>	<u>\$ 22,330</u>	<u>\$642,748</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164,419	-	112,075	-	-	-	-	-	-
-	-	-	-	-	-	209,412	-	-
<u>164,419</u>	<u>-</u>	<u>112,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,412</u>	<u>-</u>	<u>-</u>
-	-	-	-	839	-	-	22,330	642,748
-	-	-	95,750	-	-	-	-	-
-	-	-	-	-	-	573,648	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	71,648	-	-	-	1,563	-	-	-
<u>(164,419)</u>	<u>-</u>	<u>(112,075)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(164,419)</u>	<u>71,648</u>	<u>(112,075)</u>	<u>95,750</u>	<u>839</u>	<u>1,563</u>	<u>573,648</u>	<u>22,330</u>	<u>642,748</u>
<u>\$ -</u>	<u>\$ 71,648</u>	<u>\$ -</u>	<u>\$ 95,750</u>	<u>\$ 839</u>	<u>\$ 1,563</u>	<u>\$783,060</u>	<u>\$ 22,330</u>	<u>\$642,748</u>

Continued

**CITY OF IMPERIAL**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2017

(Continued)

	<u>Admin Impact Fees</u>	<u>Library Impact Fees</u>	<u>Park Impact Fees</u>	<u>Circulation Impact Fees</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 578,725	\$ 446,429	\$ 1,890,212	\$ 157,937
Receivables:				
Accounts	5,332	5,534	31,603	10,810
Notes	-	-	-	-
Interest	279	215	913	76
Total assets	<u>\$ 584,336</u>	<u>\$ 452,178</u>	<u>\$ 1,922,728</u>	<u>\$ 168,823</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 2,000	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
<b>FUND BALANCE</b>				
Restricted for:				
Public safety	-	-	-	-
Streets and roads	-	-	-	168,823
Community development	584,336	-	-	-
Low and mod income housing	-	-	-	-
Lighting and landscaping	-	-	-	-
Parks and recreation	-	452,178	1,920,728	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>584,336</u>	<u>452,178</u>	<u>1,920,728</u>	<u>168,823</u>
Total liabilities and fund balances (deficit)	<u>\$ 584,336</u>	<u>\$ 452,178</u>	<u>\$ 1,922,728</u>	<u>\$ 168,823</u>

<u>STPL</u>	<u>EDA</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 623,143	\$ 11,525,506
-	-	69,438
-	-	1,509,243
-	-	4,871
<u>\$ -</u>	<u>\$ 623,143</u>	<u>\$ 13,109,058</u>
\$ -	\$ -	\$ 36,003
615,001	-	968,351
-	-	1,509,243
<u>615,001</u>	<u>-</u>	<u>2,513,597</u>
-	-	814,589
-	-	5,303,603
-	623,143	1,795,784
-	-	64,552
-	-	1,136,714
-	-	2,448,570
<u>(615,001)</u>	<u>-</u>	<u>(968,351)</u>
<u>(615,001)</u>	<u>623,143</u>	<u>10,595,461</u>
<u>\$ -</u>	<u>\$ 623,143</u>	<u>\$ 13,109,058</u>

**CITY OF IMPERIAL**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2017

	<u>Traffic Congestion Relief</u>	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Local Transportation</u>	<u>Dial - A - Ride</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 4,373	\$ 342,843	\$ -	\$ -
Use of money and property	-	6	479	1,005	5
Total Revenues	<u>-</u>	<u>4,379</u>	<u>343,322</u>	<u>1,005</u>	<u>5</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Park and recreation	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Library	-	-	-	-	-
Public services	-	-	-	18,059	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,059</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>4,379</u>	<u>343,322</u>	<u>(17,054)</u>	<u>5</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>(2,500)</u>	<u>(200,000)</u>	<u>(5,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,500)</u>	<u>(200,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balances	-	1,879	143,322	(22,054)	5
Fund balance - beginning	<u>10</u>	<u>2,292</u>	<u>178,822</u>	<u>622,071</u>	<u>14,602</u>
Fund balance - ending	<u>\$ 10</u>	<u>\$ 4,171</u>	<u>\$ 322,144</u>	<u>\$ 600,017</u>	<u>\$ 14,607</u>

<u>LTA Measure D</u>	<u>Public Safety Prop 172</u>	<u>COPS Grant 2013</u>	<u>Asset Forfeiture</u>	<u>COPS Grant 2014</u>	<u>COPS Grant 2016</u>	<u>CDBG HOME Grant</u>	<u>Housing Rehab</u>	<u>ED CDBG</u>
\$ 1,449,590	\$ 88,207	\$ -	\$ 637	\$ -	\$ 88,000	\$ 1,168	\$ 12,857	\$ -
5,940	45	97	3	53	96	1,466	1,063	-
<u>1,455,530</u>	<u>88,252</u>	<u>97</u>	<u>640</u>	<u>53</u>	<u>88,096</u>	<u>2,634</u>	<u>13,920</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	13,641	8,964	1,405	29,790	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
208,112	-	-	-	-	-	-	-	-
46,000	-	-	-	-	-	-	-	-
<u>254,112</u>	<u>-</u>	<u>13,641</u>	<u>8,964</u>	<u>1,405</u>	<u>29,790</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,201,418</u>	<u>88,252</u>	<u>(13,544)</u>	<u>(8,324)</u>	<u>(1,352)</u>	<u>58,306</u>	<u>2,634</u>	<u>13,920</u>	<u>-</u>
5,382	9,375	-	10,667	-	-	-	-	-
<u>(94,308)</u>	<u>(71,471)</u>	<u>(14,875)</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
<u>(88,926)</u>	<u>(62,096)</u>	<u>(14,875)</u>	<u>10,667</u>	<u>-</u>	<u>(24,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
1,112,492	26,156	(28,419)	2,343	(1,352)	34,306	2,634	3,920	-
<u>2,968,909</u>	<u>(9,375)</u>	<u>72,613</u>	<u>-</u>	<u>32,313</u>	<u>-</u>	<u>(79,490)</u>	<u>43,720</u>	<u>50</u>
<u>\$ 4,081,401</u>	<u>\$ 16,781</u>	<u>\$ 44,194</u>	<u>\$ 2,343</u>	<u>\$ 30,961</u>	<u>\$ 34,306</u>	<u>\$ (76,856)</u>	<u>\$ 47,640</u>	<u>\$ 50</u>

Continued

**CITY OF IMPERIAL**

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

## Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2017

(Continued)

	<u>RLA</u>	<u>Wildflower Landscape Lighting</u>	<u>Paseo Del Sol Landscape Lighting</u>	<u>Joshua Tree Street Improvement</u>	<u>Library Donations</u>
<b>REVENUES</b>					
Intergovernmental	\$ 4,782	\$ 26,471	\$ 26,017	\$ -	\$ 1,273
Use of money and property	2,187	69	174	11	-
Total Revenues	<u>6,969</u>	<u>26,540</u>	<u>26,191</u>	<u>11</u>	<u>1,273</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Park and recreation	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	46,000	-	-	-	-
Library	-	-	-	-	1,089
Public services	-	9,208	6,585	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>46,000</u>	<u>9,208</u>	<u>6,585</u>	<u>-</u>	<u>1,089</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,031)</u>	<u>17,332</u>	<u>19,606</u>	<u>11</u>	<u>184</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,000	-	-	-	-
Transfers out	<u>(5,000)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(34,031)	13,832	16,106	11	184
Fund balance - beginning	<u>50,943</u>	<u>36,061</u>	<u>98,547</u>	<u>31,276</u>	<u>2,269</u>
Fund balance - ending	<u>\$ 16,912</u>	<u>\$ 49,893</u>	<u>\$ 114,653</u>	<u>\$ 31,287</u>	<u>\$ 2,453</u>

<u>Aten Clark Traffic</u>	<u>COPS Grant 2015</u>	<u>Sky Ranch District</u>	<u>Prop 1B</u>	<u>Library Literacy</u>	<u>Police Technology Grant</u>	<u>Austin Worthington</u>
\$ -	\$ 120,000	\$ 162,190	\$ -	\$ 36,033	\$ -	\$ -
-	125	1,903	-	134	-	-
-	<u>120,125</u>	<u>164,093</u>	-	<u>36,167</u>	-	-
-	-	-	-	-	-	-
-	-	49,668	-	-	-	-
-	26,964	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	27,162	-	-
-	-	-	-	-	-	-
-	47,740	-	-	-	-	-
-	<u>74,704</u>	<u>49,668</u>	-	<u>27,162</u>	-	-
-	45,421	114,425	-	9,005	-	-
-	-	-	-	-	-	-
<u>(5,382)</u>	<u>(25,334)</u>	-	-	-	-	-
<u>(5,382)</u>	<u>(25,334)</u>	-	-	-	-	-
(5,382)	20,087	114,425	-	9,005	-	-
<u>5,382</u>	<u>-</u>	<u>857,743</u>	<u>(164,419)</u>	<u>62,643</u>	<u>(112,075)</u>	<u>95,750</u>
<u>\$ -</u>	<u>\$ 20,087</u>	<u>\$ 972,168</u>	<u>\$ (164,419)</u>	<u>\$ 71,648</u>	<u>\$ (112,075)</u>	<u>\$ 95,750</u>

Continued

**CITY OF IMPERIAL**

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

## Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2017

(Continued)

	<u>AB 109</u> <u>FUNDING</u>	<u>AVIATION</u> <u>SP/EVENTS</u>	<u>General</u> <u>Housing</u>	<u>Fire</u> <u>Impact</u> <u>Fees</u>	<u>Police</u> <u>Impact</u> <u>Fees</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 4,200	\$ 92,577	\$ 26,713	\$ 55,958
Use of money and property	-	-	4,812	662	2,365
Total Revenues	<u>-</u>	<u>4,200</u>	<u>97,389</u>	<u>27,375</u>	<u>58,323</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Park and recreation	-	3,756	-	-	-
Public safety	1,395	-	-	-	-
Community development	-	-	10,518	-	-
Library	-	-	-	-	-
Public services	-	-	-	-	-
Capital outlay	-	-	63,003	-	-
Total Expenditures	<u>1,395</u>	<u>3,756</u>	<u>73,521</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,395)</u>	<u>444</u>	<u>23,868</u>	<u>27,375</u>	<u>58,323</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(8,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,395)	444	15,868	27,375	58,323
Fund balance - beginning	<u>2,234</u>	<u>1,119</u>	<u>557,780</u>	<u>(5,045)</u>	<u>584,425</u>
Fund balance - ending	<u>\$ 839</u>	<u>\$ 1,563</u>	<u>\$ 573,648</u>	<u>\$ 22,330</u>	<u>\$ 642,748</u>

<u>Admin Impact Fees</u>	<u>Library Impact Fees</u>	<u>Park Impact Fees</u>	<u>Circulation Impact Fees</u>	<u>STPL</u>	<u>CMAQ</u>
\$ 58,670	\$ 40,582	\$ 231,758	\$ 103,340	\$ -	\$ -
2,279	2,054	10,639	2,159	-	-
<u>60,949</u>	<u>42,636</u>	<u>242,397</u>	<u>105,499</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	18,672	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>18,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>60,949</u>	<u>42,636</u>	<u>223,725</u>	<u>105,499</u>	<u>-</u>	<u>-</u>
-	-	-	-	202,140	-
-	-	-	-	-	(202,140)
-	-	-	-	<u>202,140</u>	<u>(202,140)</u>
60,949	42,636	223,725	105,499	202,140	(202,140)
<u>523,387</u>	<u>409,542</u>	<u>1,697,003</u>	<u>63,324</u>	<u>(817,141)</u>	<u>202,140</u>
<u>\$ 584,336</u>	<u>\$ 452,178</u>	<u>\$ 1,920,728</u>	<u>\$ 168,823</u>	<u>\$ (615,001)</u>	<u>\$ -</u>

Continued

**CITY OF IMPERIAL**

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

## Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2017

(Continued)

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	<u>EDA</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>		
Intergovernmental	\$ 30	\$ 2,978,269
Use of money and property	-	39,831
Total Revenues	<u>30</u>	<u>3,018,100</u>
<b>EXPENDITURES</b>		
Current:		
General Government	-	-
Park and recreation	-	72,096
Public safety	-	82,159
Community development	-	56,518
Library	-	28,251
Public services	219,129	461,093
Capital outlay	-	156,743
Total Expenditures	<u>219,129</u>	<u>856,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(219,099)</u>	<u>2,161,240</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	237,564
Transfers out	-	(675,010)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(437,446)</u>
Net change in fund balances	(219,099)	1,723,794
Fund balance - beginning	<u>842,242</u>	<u>8,871,667</u>
Fund balance - ending	<u>\$ 623,143</u>	<u>\$ 10,595,461</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Traffic Congestion Relief Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	-	-	-
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(2,500)	-	2,500
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,500)	-	2,500
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(2,500)	-	2,500
	<hr/>	<hr/>	<hr/>
Fund balances - beginning	10	10	-
	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ -</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Traffic Safety Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ 4,373	\$ 4,373
Use of money and property	-	6	6
Total revenue	-	4,379	4,379
<b>EXPENDITURES</b>			
Current:			
Public services	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	4,379	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(2,500)	(2,500)	-
Total other financing sources (uses)	(2,500)	(2,500)	-
Net change in fund balance	(2,500)	1,879	4,379
Fund balances - beginning	2,292	2,292	-
Fund balances - ending	<u>\$ (208)</u>	<u>\$ 4,171</u>	<u>\$ 4,379</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Gas Tax Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ 342,843	\$ 342,843
Use of money and property	-	479	479
Total revenue	<u>-</u>	<u>343,322</u>	<u>343,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(200,000)	143,322	343,322
Fund balances - beginning	<u>178,822</u>	<u>178,822</u>	<u>-</u>
Fund balances - ending	<u>\$ (21,178)</u>	<u>\$ 322,144</u>	<u>\$ 343,322</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Local Transportation Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	-	1,005	1,005
Total revenues	<u>-</u>	<u>1,005</u>	<u>1,005</u>
<b>EXPENDITURES</b>			
Current:			
Public services	-	(18,059)	(18,059)
Total expenditures	<u>-</u>	<u>(18,059)</u>	<u>(18,059)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(17,054)</u>	<u>(17,054)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	(5,000)	(22,054)	(17,054)
Fund balances - beginning	<u>622,071</u>	<u>622,071</u>	<u>-</u>
Fund balances - ending	<u>\$ 617,071</u>	<u>\$ 600,017</u>	<u>\$ (17,054)</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Dial-A-Ride Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Use of money and property	\$ -	\$ 5	\$ 5
Total revenues	-	5	5
<b>EXPENDITURES</b>			
Current:			
Public services	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	5	5
Fund balances - beginning	14,602	14,602	-
Fund balances - ending	<u>\$ 14,602</u>	<u>\$ 14,607</u>	<u>\$ 5</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## LTA Measure D Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 1,449,590	\$ 1,449,590
Use of money and property	-	5,940	5,940
	<u>-</u>	<u>1,455,530</u>	<u>1,455,530</u>
<b>EXPENDITURES</b>			
Current:			
Public services	(620,000)	(208,112)	411,888
Capital outlay	-	(46,000)	(46,000)
	<u>(620,000)</u>	<u>(254,112)</u>	<u>(365,888)</u>
Excess (deficiency) of revenues over expenditures	<u>(620,000)</u>	<u>1,201,418</u>	<u>1,089,642</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		5,382	
Transfers out	(94,308)	(94,308)	-
	<u>(94,308)</u>	<u>(88,926)</u>	<u>-</u>
Total other financing sources (uses)	<u>(94,308)</u>	<u>(88,926)</u>	<u>-</u>
Net change in fund balance	(620,000)	1,112,492	1,732,492
Fund balances - beginning	<u>2,968,909</u>	<u>2,968,909</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,348,909</u>	<u>\$ 4,081,401</u>	<u>\$ 1,732,492</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Public Safety Prop. 172 Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 88,207	\$ 88,207
Use of money and property	-	45	45
Total revenues	<u>-</u>	<u>88,252</u>	<u>45</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>88,252</u>	<u>45</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		9,375	
Transfers out	<u>(71,471)</u>	<u>(71,471)</u>	<u>-</u>
Total other financing sources (uses)	<u>(71,471)</u>	<u>(62,096)</u>	<u>-</u>
Net change in fund balance	(71,471)	26,156	97,627
Fund balances - beginning	<u>(9,375)</u>	<u>(9,375)</u>	<u>-</u>
Fund balances - ending	<u>\$ (80,846)</u>	<u>\$ 16,781</u>	<u>\$ 97,627</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## COPS Grant 2013 Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 97	\$ 97
Total revenues	<u>-</u>	<u>97</u>	<u>97</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	(13,641)	(13,641)
Total expenditures	<u>-</u>	<u>(13,641)</u>	<u>(13,641)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(13,544)</u>	<u>(13,544)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	-	(14,875)	(14,875)
Total other financing sources (uses)	<u>-</u>	<u>(14,875)</u>	<u>(14,875)</u>
Net change in fund balance	-	(28,419)	(28,419)
Fund balances - beginning	<u>72,613</u>	<u>72,613</u>	<u>-</u>
Fund balances - ending	<u>\$ 72,613</u>	<u>\$ 44,194</u>	<u>\$ (28,419)</u>

**CITY OF IMPERIAL**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Police Asset Forfeiture Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 637	\$ 637
Use of money and property	-	3	3
Total revenues	<u>-</u>	<u>640</u>	<u>640</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	(8,964)	8,964
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>(8,964)</u>	<u>8,964</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(8,324)</u>	<u>9,604</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	10,667	10,667
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>10,667</u>	<u>10,667</u>
Net change in fund balance	-	2,343	2,343
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,343</u>	<u>\$ 2,343</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## COPS Grant 2014 Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	-	53	-
<b>Total revenues</b>	<u>-</u>	<u>53</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	(1,405)	(1,405)
<b>Total expenditures</b>	<u>-</u>	<u>(1,405)</u>	<u>(1,405)</u>
Excess (deficiency) of revenues over expenditures	-	(1,352)	(1,405)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(1,352)	(1,352)
Fund balances - beginning	<u>32,313</u>	<u>32,313</u>	<u>-</u>
Fund balances - ending	<u>\$ 32,313</u>	<u>\$ 30,961</u>	<u>\$ (1,352)</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## COPS Grant 2016 Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 88,000	\$ 88,000
Use of money and property	-	96	-
<b>Total revenues</b>	<b>-</b>	<b>88,096</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	(29,790)	(29,790)
<b>Total expenditures</b>	<b>-</b>	<b>(29,790)</b>	<b>(29,790)</b>
Excess (deficiency) of revenues over expenditures	-	58,306	(29,790)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	-	(24,000)	(24,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(24,000)</b>	<b>(24,000)</b>
Net change in fund balance	-	34,306	34,306
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 34,306</u>	<u>\$ 34,306</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
CDBG Home Grant Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 1,168	\$ 1,168
Use of money and property	-	1,466	1,466
	<u>-</u>	<u>2,634</u>	<u>2,634</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	2,634	2,634
Fund balances - beginning	<u>(79,490)</u>	<u>(79,490)</u>	<u>-</u>
Fund balances - ending	<u>\$ (79,490)</u>	<u>\$ (76,856)</u>	<u>\$ 2,634</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Housing Rehab Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 12,857	\$ 12,857
Use of money and property	-	1,063	1,063
Total revenues	-	13,920	13,920
<b>EXPENDITURES</b>			
Personnel services	-	-	-
Community Development	-	-	-
Capital outlay	-	-	-
Transfers out	-	(10,000)	(10,000)
Total other financing sources (uses)	-	(10,000)	(10,000)
Net change in fund balance	-	3,920	3,920
Fund balances - beginning	43,720	43,720	-
Fund balances - ending	<u>\$ 43,720</u>	<u>\$ 47,640</u>	<u>\$ 3,920</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Economic Development Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	-	-	-
 Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
 <b>EXPENDITURES</b>			
Current:			
Capital	-	-	-
 Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	-	-	-
 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	-	-	-
 Fund balances - beginning	<u>50</u>	<u>50</u>	<u>-</u>
 Fund balances - ending	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## RLA Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 4,782	\$ 4,782
Use of money and property	-	2,187	2,187
Total revenues	-	6,969	6,969
<b>EXPENDITURES</b>			
Current:			
Community development	-	(46,000)	46,000
Total expenditures	-	(46,000)	46,000
Excess (deficiency) of revenues over expenditures	-	(39,031)	52,969
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In		10,000	10,000
Transfers Out	(5,000)	(5,000)	-
Total other financing sources (uses)	(5,000)	5,000	10,000
Net change in fund balance	(5,000)	(34,031)	(29,031)
Fund balances - beginning	50,943	50,943	-
Fund balances - ending	<u>\$ 45,943</u>	<u>\$ 16,912</u>	<u>\$ (29,031)</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Wildflower Landscape Lighting Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 26,471	\$ 26,471
Use of money and property	-	69	69
Total revenues	<u>-</u>	<u>26,540</u>	<u>26,540</u>
<b>EXPENDITURES</b>			
Current:			
Public services	-	(9,208)	9,208
Total expenditures	<u>-</u>	<u>(9,208)</u>	<u>9,208</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>17,332</u>	<u>35,748</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Net change in fund balance	(3,500)	13,832	17,332
Fund balances - beginning	<u>36,061</u>	<u>36,061</u>	<u>-</u>
Fund balances - ending	<u>\$ 32,561</u>	<u>\$ 49,893</u>	<u>\$ 17,332</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Paseo Del Sol Landscape Lighting Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 26,017	\$ 26,017
Use of money and property	-	174	174
Total revenues	<u>-</u>	<u>26,191</u>	<u>26,191</u>
<b>EXPENDITURES</b>			
Current:			
Public services	-	(6,585)	(6,585)
Total expenditures	<u>-</u>	<u>(6,585)</u>	<u>(6,585)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>19,606</u>	<u>19,606</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Net change in fund balance	(3,500)	16,106	19,606
Fund balances - beginning	<u>98,547</u>	<u>98,547</u>	<u>-</u>
Fund balances - ending	<u>\$ 95,047</u>	<u>\$ 114,653</u>	<u>\$ 19,606</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Joshua Tree Street Improvement Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Use of money and property	\$ -	\$ 11	\$ 11
Total revenue	<u>-</u>	<u>11</u>	<u>11</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	11	11
Fund balances - beginning	<u>31,276</u>	<u>31,276</u>	<u>-</u>
Fund balances - ending	<u>\$ 31,276</u>	<u>\$ 31,287</u>	<u>\$ 11</u>

**CITY OF IMPERIAL**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Library Donations Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 1,273	\$ 1,273
Total revenues	<u>-</u>	<u>1,273</u>	<u>1,273</u>
<b>EXPENDITURES</b>			
Current:			
Library	<u>-</u>	<u>(1,089)</u>	<u>1,089</u>
Total expenditures	<u>-</u>	<u>(1,089)</u>	<u>1,089</u>
Net change in fund balance	-	184	184
Fund balances - beginning	<u>2,269</u>	<u>2,269</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,269</u>	<u>\$ 2,453</u>	<u>\$ 184</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Aten Clark Traffic Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(5,382)	-
Total other financing sources (uses)	<u>-</u>	<u>(5,382)</u>	<u>-</u>
Net change in fund balance	-	(5,382)	(5,382)
Fund balances - beginning	<u>5,382</u>	<u>5,382</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,382</u>	<u>\$ -</u>	<u>\$ (5,382)</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## COPS 2015 Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 120,000	\$ 120,000
Use of money and property	-	125	125
Total revenues	<u>-</u>	<u>120,125</u>	<u>120,125</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	(26,964)	26,964
Capital	-	(47,740)	47,740
Total expenditures	<u>-</u>	<u>(74,704)</u>	<u>74,704</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>45,421</u>	<u>194,829</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	<u>(100,000)</u>	<u>(25,334)</u>	<u>74,666</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(25,334)</u>	<u>74,666</u>
Net change in fund balance	(100,000)	20,087	120,087
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ (100,000)</u>	<u>\$ 20,087</u>	<u>\$ 120,087</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
 Sky Ranch District Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 162,190	\$ 162,190
Use of money and property	-	1,903	1,903
	<u>-</u>	<u>164,093</u>	<u>164,093</u>
<b>EXPENDITURES</b>			
Current:			
Park and recreation	-	(49,668)	(49,668)
Capital outlay	-	-	-
	<u>-</u>	<u>(49,668)</u>	<u>(49,668)</u>
Net change in fund balance	-	114,425	114,425
Fund balances - beginning	<u>857,743</u>	<u>857,743</u>	<u>-</u>
Fund balances - ending	<u>\$ 857,743</u>	<u>\$ 972,168</u>	<u>\$ 114,425</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Prop 1B Bond Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balances - beginning	<u>(164,419)</u>	<u>(164,419)</u>	<u>-</u>
Fund balances - ending	<u>\$ (164,419)</u>	<u>\$ (164,419)</u>	<u>\$ -</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Library Literacy Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 36,033	\$ 36,033
Use of money and property	-	134	134
	<u>-</u>	<u>36,167</u>	<u>36,167</u>
<b>EXPENDITURES</b>			
Current:			
Library	-	(27,162)	(27,162)
	<u>-</u>	<u>(27,162)</u>	<u>(27,162)</u>
Net change in fund balance	-	9,005	9,005
Fund balances - beginning	<u>62,643</u>	<u>62,643</u>	<u>-</u>
Fund balances - ending	<u>\$ 62,643</u>	<u>\$ 71,648</u>	<u>\$ 9,005</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Police Technology Grant Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balances - beginning	<u>(112,075)</u>	<u>(112,075)</u>	<u>-</u>
Fund balances - ending	<u>\$ (112,075)</u>	<u>\$ (112,075)</u>	<u>\$ -</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Austin/Worthington Impact Fee Special Revenue Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Capital outlay	-	-	-
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances - beginning	95,750	95,750	-
Fund balances - ending	<u>\$ 95,750</u>	<u>\$ 95,750</u>	<u>\$ 95,750</u>

**CITY OF IMPERIAL**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

AB 109 Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	(1,395)	1,395
Total expenditures	<u>-</u>	<u>(1,395)</u>	<u>1,395</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,395)</u>	<u>1,395</u>
Net change in fund balance	-	(1,395)	(1,395)
Fund balances - beginning	<u>2,234</u>	<u>2,234</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,234</u>	<u>\$ 839</u>	<u>\$ (1,395)</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Aviation/Special Events Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 4,200	\$ 4,200
Total revenues	<u>-</u>	<u>4,200</u>	<u>4,200</u>
<b>EXPENDITURES</b>			
Current:			
Parks & Recreation	-	(3,756)	(3,756)
Total expenditures	<u>-</u>	<u>(3,756)</u>	<u>(3,756)</u>
Excess (deficiency) of revenues over expenditures	-	444	444
Net change in fund balance	-	444	444
Fund balances - beginning	<u>1,119</u>	<u>1,119</u>	-
Fund balances - ending	<u>\$ 1,119</u>	<u>\$ 1,563</u>	<u>\$ 444</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## General Housing Account Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 92,577	\$ 92,577
Use of money and property	-	4,812	4,812
Total revenues	<u>-</u>	<u>97,389</u>	<u>97,389</u>
<b>EXPENDITURES</b>			
Current:			
Community Development	-	(10,518)	10,518
Capital	-	(63,003)	63,003
Total expenditures	<u>-</u>	<u>(73,521)</u>	<u>73,521</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>23,868</u>	<u>73,521</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(8,000)	(8,000)	-
Total other financing sources (uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net change in fund balance	(8,000)	15,868	23,868
Fund balances - beginning	<u>557,780</u>	<u>557,780</u>	<u>-</u>
Fund balances - ending	<u>\$ 549,780</u>	<u>\$ 573,648</u>	<u>\$ 23,868</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Fire Impact Fees Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 26,713	\$ 26,713
Intergovernmental	-	662	662
	<u>-</u>	<u>27,375</u>	<u>662</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	27,375	662
	<u>-</u>	<u>27,375</u>	<u>662</u>
Net change in fund balance	-	27,375	27,375
Fund balances - beginning	(5,045)	(5,045)	-
	<u>(5,045)</u>	<u>(5,045)</u>	<u>-</u>
Fund balances - ending	\$ (5,045)	\$ 22,330	\$ 27,375
	<u><u>(5,045)</u></u>	<u><u>22,330</u></u>	<u><u>27,375</u></u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Police Impact Fees Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 55,958	\$ 55,958
Use of money and property	-	2,365	2,365
	<u>-</u>	<u>58,323</u>	<u>58,323</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	58,323	58,323
Fund balances - beginning	584,425	584,425	-
	<u>584,425</u>	<u>584,425</u>	<u>-</u>
Fund balances - ending	<u>\$ 584,425</u>	<u>\$ 642,748</u>	<u>\$ 58,323</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Admin Impact Fees Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 58,670	\$ 58,670
Use of money and property	-	2,279	2,279
	<hr/>	<hr/>	<hr/>
Total revenues	-	60,949	60,949
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	60,949	60,949
Fund balances - beginning	523,387	523,387	-
	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ 523,387</u>	<u>\$ 584,336</u>	<u>\$ 60,949</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Library Impact Fees Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 40,582	\$ 40,582
Use of money and property	-	2,054	2,054
	<u>-</u>	<u>42,636</u>	<u>42,636</u>
<b>EXPENDITURES</b>			
Current:			
Library	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	42,636	42,636
Fund balances - beginning	<u>409,542</u>	<u>409,542</u>	<u>-</u>
Fund balances - ending	<u>\$ 409,542</u>	<u>\$ 452,178</u>	<u>\$ 42,636</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Park Impact Fees Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 231,758	\$ 231,758
Use of money and property	-	10,639	10,639
Total revenues	<u>-</u>	<u>242,397</u>	<u>242,397</u>
<b>EXPENDITURES</b>			
Current:			
Park and recreation	-	(18,672)	(18,672)
Total expenditures	<u>-</u>	<u>(18,672)</u>	<u>(18,672)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(150,000)	-	150,000
Total Other Financing Sources (Uses)	(150,000)	-	(150,000)
Net change in fund balance	(150,000)	223,725	373,725
Fund balances - beginning	<u>1,697,003</u>	<u>1,697,003</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,547,003</u>	<u>\$ 1,920,728</u>	<u>\$ 373,725</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## Circulation Impact Fees Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 103,340	\$ 103,340
Use of money and property	-	2,159	2,159
Total revenues	<u>-</u>	<u>105,499</u>	<u>105,499</u>
<b>EXPENDITURES</b>			
Current:			
Public Services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>105,499</u>	<u>105,499</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	105,499	105,499
Fund balances - beginning	<u>63,324</u>	<u>63,324</u>	<u>-</u>
Fund balances - ending	<u>\$ 63,324</u>	<u>\$ 168,823</u>	<u>\$ 105,499</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## STPL Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenue	-	-	-
<b>EXPENDITURES</b>			
Public Services	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expend	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	202,140	202,140
Transfers out	-	-	-
Total other financing sources (uses)	-	202,140	-
Net change in fund balance	-	202,140	202,140
Fund balances - beginning	(817,141)	(817,141)	-
Fund balances - ending	<u>\$ (817,141)</u>	<u>\$ (615,001)</u>	<u>\$ 202,140</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## CMAQ Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ -	\$ -
Total revenue	-	-	-
<b>EXPENDITURES</b>			
Current:			
Public Services	-	-	-
Total expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	(202,140)	(202,140)
Total other financing sources (uses)	-	(202,140)	(202,140)
Net change in fund balance	-	(202,140)	(202,140)
Fund balances - beginning	202,140	202,140	-
Fund balances - ending	<u>\$ 202,140</u>	<u>\$ -</u>	<u>\$ (202,140)</u>

**CITY OF IMPERIAL**

## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

## EDA Special Revenue Fund

For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ -	\$ 30	\$ 30
Total revenue	<u>-</u>	<u>30</u>	<u>30</u>
 <b>EXPENDITURES</b>			
Current:			
Public Services	<u>-</u>	<u>(219,129)</u>	<u>(219,129)</u>
Total expenditures	<u>-</u>	<u>(219,129)</u>	<u>(219,129)</u>
 Net change in fund balance	-	(219,099)	(219,099)
 Fund balances - beginning	<u>842,242</u>	<u>842,242</u>	<u>-</u>
 Fund balances - ending	<u>\$ 842,242</u>	<u>\$ 623,143</u>	<u>\$ 623,143</u>



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT**

Members of the City Council of the  
City of Imperial  
Imperial, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Imperial's basic financial statements, and have issued our report thereon dated June 19, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Imperial's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Imperial's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Imperial's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies:

**Significant Deficiency #1 – 2016-1, Finding-Activities not recognized in their proper period**

Several adjustments were performed in the financial statements of activities not recognized in prior years in accordance with proper accrual accounting procedures which affected the reported information in prior year's financial statements.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Imperial's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Imperial's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Imperial's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We noted certain matters that we reported to the management of City of Imperial, in a separate letter dated June 19, 2018.

The City of Imperial's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit City of Imperial's response and, accordingly, we express no opinion on it.

*Hitchiner and Bloodgood LLP*

June 19, 2018

**CITY OF IMPERIAL**

Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2017

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**SECTION I – FINANCIAL STATEMENTS FINDINGS**

None for this period

**SECTION II – STATUS OF PRIOR YEAR FINDINGS AND RESPONSES**

2016-1 Finding – Activities not recognized in their proper period

During our review of the financial statements it was noted that there were several material adjustments related to activities not recognized in prior years.

Effect:

Prior years' reported financial information is not correct.

Recommendation:

Recognize activities in their respective year in accordance with accrual accounting procedures.

City's Response:

The City will ensure that all adjustments or entries to be performed will be conducted during the closing of the fiscal year.