

CITY OF EL SEGUNDO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2015



Prepared by the Finance Department
Joseph Lillio, Director of Finance

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CITY OF EL SEGUNDO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2015

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INTRODUCTORY SECTION



City of El Segundo

September 19, 2016

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

State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Davis Farr, An Independent CPA Firm, have issued an unqualified (“clean”) opinion on the City of El Segundo’s financial statements for the year ending September 30, 2015. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follow the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of El Segundo is located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport. The City was incorporated January 18, 1917, as a general law city, with the Standard Oil Company of California refinery as the major industrial taxpayer and employer. The substantial petroleum base of the local economy remains evident, although the defense industry emerged as a major segment during World War II. Aerospace experienced rapid growth during the early 1980’s and accounted for a significant share of El Segundo’s industrial growth during those years. A downturn in the aerospace/defense industry began in the late 1980’s, and the industry’s recovery took place through consolidation and diversification into commercial endeavors. The available commercial/industrial space has been

attracting new business-to-business retail services segments, and providing opportunities to diversify and enhance the revenue source of the City.

The City of El Segundo has operated under the council-manager form of government since 1917. Policy-making and legislative authority are vested in the governing council (Council) consisting of the mayor and four other members, all elected on a non-partisan basis. The Council appoints the government's manager, who in turn appoints the heads of the various departments. Council members serve four-year terms and are elected at large. Alternating election schedule with two seats open during one election cycle and three seats open the next election cycle. The Mayor is selected by the seated council every two years.

The City of El Segundo provides a full range of municipal services, including police and fire protection; highway, street and infrastructure maintenance and construction; water and sewer operations; library services; planning, zoning and code enforcement; recreational and cultural activities; and general administration. This report includes all funds of the City of El Segundo and those component units controlled by and dependent on the City. Accordingly, this report incorporates financial data for the Park Vista Senior Housing Corporation.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of El Segundo's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, must be approved by the City Manager.

Local economy

El Segundo has a proud tradition of innovation in Aerospace. With The LA Air Force Base, The Aerospace Corporation, Northrop Grumman, Boeing, and Raytheon, just to name a few, all located in El Segundo, the City is a well-established aerospace hub. Over half of all satellites and vehicles in space are manufactured in El Segundo. At the Northrop Grumman El Segundo Manufacturing Center, components of the F/A-18 Naval strike fighter have been in continuous production since 1978.

Historically, the majority of the City's workforce is related to the aerospace and petroleum industries, however many industry sectors are well-represented, and thriving in the local economy. Key high growth industries are increasing their presence in El Segundo, including: biosciences, information and emerging technologies, creative services, sports, entertainment, retail, hospitality and professional services. In addition, the local power plant has undergone a major plant redevelopment that has improved the availability, supply and reliability of electric power available for the Los Angeles area. The City is home to well-established, prestigious Fortune 500 companies, alongside exciting, high-growth new businesses.

Long-term financial planning

The City's financial security is fundamental to the administration of the City's policies and practices. The City Council has always been and continues to take a conservative approach in maintaining a strong financial position by limiting the growth of spending and acquiring additional debt. It has established an Economic Uncertainty Reserve Fund and Capital Improvement Fund to meet the needs of unforeseen circumstances that may occur in the future.

In November 2004 California voters approved Proposition 1A, which will help stabilize the flow of revenues to municipalities and end future State raids on City finances. This allows for better forecasting of City revenues and, along with modest economic growth, should allow for future sustainable revenue growth. The City has implemented a strategy of adopting a strategic plan that is reviewed and updated each year by the City's management and the City Council.

During FY 2012/2013, the City reached a Tax Resolution Agreement (TRA) with Chevron USA, which also amended the Administrative Agreement regarding Gas Tax collection and extended the current Water Agreement. This 15-year agreement will net approximately \$128 million in new tax revenue for the City. \$104 million for the General Fund and \$24 million for the Water Fund. This Agreement will provide significant, long-term stability to the City's General Fund and Water Funds. This stability will help to reduce estimated budget deficits in the near term.

Relevant financial policies

The City's current general fund balance policy is to maintain 18% of the higher of its current general fund expenditures, or the revenues, for its reserves. Due to the increase in revenues from sales taxes, utility taxes, business license taxes and saving from daily operation the City's fund balance is meeting the 18% at the end of FY 2014-15. The reserve requirement will eventually increase to 20% per the current Council policy direction.

The City takes a conservative approach in relation to incurring debt with a "pay-as-you-go" approach. It is currently funding 100% of the actuarial required contribution (ARC) for its other (than pension) post-employment benefits (OPEB).

The City Treasurer is charged with managing and investing cash for the City along with support from the Investment Advisory Committee, which meets quarterly.

Major initiatives

Due to budget constraints the City currently has limited major initiatives.

- Richmond Street Rehabilitation Project
- Annual Sidewalk, Curb and Gutter Restoration Program
- Maintenance and upgrades of El Segundo Blvd. and Fire Station 1

However, it is looking in the near future to introduce a Capital Infrastructure Plan which would include the following projects:

- Renovation of the existing community swimming pool

- Streets and sidewalk improvements
- Various smaller projects that would provide enhanced benefits to the community.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of El Segundo for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of El Segundo's finances.

Respectfully submitted,

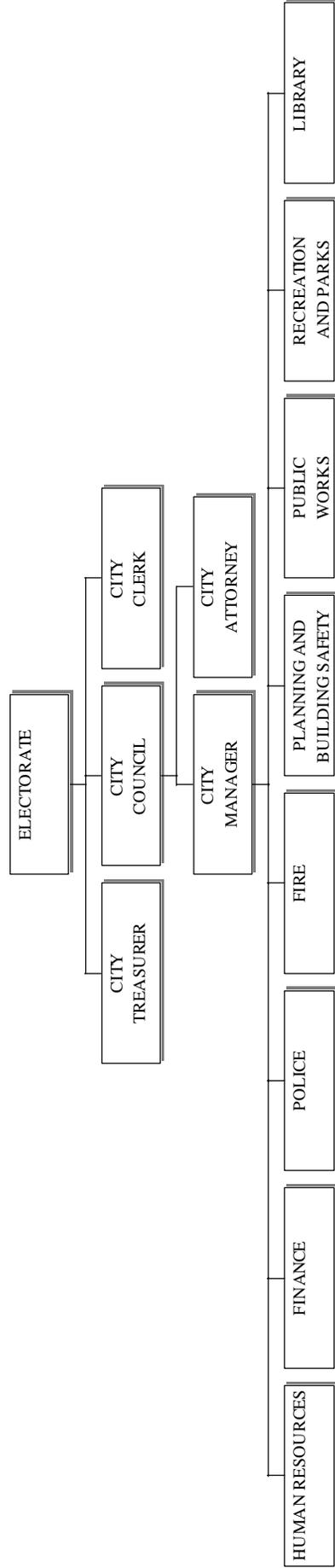


Joseph Lillio:
Director of Finance



Greg Carpenter:
City Manager

City Of El Segundo



CITY OF EL SEGUNDO

September 30, 2015

CITY COUNCIL MEMBERS

<u>Name</u>		<u>Term Expires</u>
Suzanne Fuentes	Mayor	April 2018
Carl Jacobson	Mayor Pro Tem	April 2016
Dave Atkinson	Council Member	April 2016
Marie Fellhauer	Council Member	April 2016
Michael Dugan	Council Member	April 2018

CITY OFFICIALS

Tracy Weaver	City Clerk
Crista Binder	City Treasurer
Mark Hensley	City Attorney
Greg Carpenter	City Manager

CITY ADMINISTRATION

Misty Cheng	Interim Director of Finance
Martha Djikstra	Director of Human Resources
Mitch Tavera	Chief of Police
Breck Slover	Interim Fire Chief
Debra Brighton	Director of Library Services
Sam Lee	Director of Planning and Building Safety
Meredith Petit	Director of Recreation and Parks
Stephanie Katsouleas	Director of Public Works



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of El Segundo
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

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FINANCIAL SECTION

Honorable Mayor and City Council
City of El Segundo, California

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Segundo, California, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Segundo Senior Citizen Housing Corporation, a discretely presented component unit which represents 0.6%, 10.5%, and 1.3%, respectively, of the assets, net position, and revenues of the governmental activities opinion unit. Those statements for the year ended December 31, 2014 were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Segundo, California, as of September 30, 2015, 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.

Emphasis of Matter

The financial statements for the year ended September 30, 2015 reflect certain prior period adjustments as described further in note 16 to the financial statements. Our opinion is not modified with respect to this matter.

As described further in note 16 to the financial statements, during the year ended September 30, 2015 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Prior Year Financial Statements

The financial statements of the City of El Segundo for the fiscal year ended September 30, 2014 were audited by other auditors whose report dated March 20, 2015 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison information of the general fund and major special revenue funds, the schedules of funding progress, the schedule of change in net pension liability and the schedule of plan contributions* 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 El Segundo's basic financial statements. The *combining and individual fund statements and schedules*, the *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *combining and individual fund statements and schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual fund statements and schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The *introductory section* and the *statistical section* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2016, on our consideration of the City of El Segundo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of El Segundo's internal control over financial reporting and compliance.

Dawn Fan CP

Irvine, California
September 19, 2016

Management's Discussion and Analysis

As management of the City of El Segundo, California (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of El Segundo for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$44,878,340 (*net position*). Of this amount, (\$77,485,500) (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

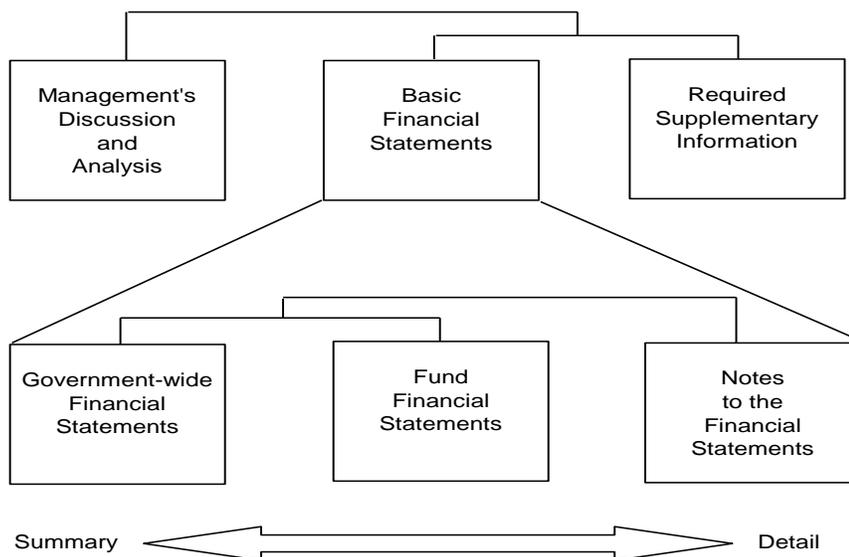
As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,972,059. Of this amount, \$16,236,617 (*unrestricted fund balance per GASB 54*) is available for spending at the City's discretion.

At the end of the current year, unrestricted fund balance per GASB 54 for the general fund was \$17,716,629 which represents 29.51% of total general fund expenditures, net of transfer out, for fiscal year 2014-15.

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, *optional* combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Components of the Financial Section



Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements include all assets and liabilities of the City.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover some or all of their costs through user fees and charges (*business-type activities*).

Governmental activities: Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, administrative services, etc.), police and fire protection, public works and community development. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

Business-type activities: The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Water and Sewer utilities and Golf Course operation are reported in this category.

The government-wide financial statements can be found beginning on page 17 of this report.

Fund Financial Statements: The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. However, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The City's governmental funds in fiscal year 2015 are General Fund, Residential Sound Insulation Fund, LAWA Fund and Non-major Governmental Funds. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results

in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

In addition to the major funds reported separately on the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, the City also maintains 15 special revenue funds, one capital project fund and one debt service fund. Data from these funds are combined into a single, aggregated presentation referred to as *other governmental funds*.

Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. This comparison can be found on page 77-79 of this report.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds: When the City charges customers for the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer and Golf Course activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement cost and general liability and workers' compensation cost. Because these services predominantly benefit governmental rather than business-type functions, these funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements except that more detail is presented. The proprietary fund financial statements provide separate information for the Water, Sewer and Golf Course operations, all of which are considered major funds of the City. The City's internal service fund is shown separately under the heading of *governmental activities*.

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities.

The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-75 of this report.

Other information: The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 86-116 of this report.

Government-wide Financial Analysis

As was referenced earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets exceeded total liabilities by \$44,878,340 at the close of 2015 fiscal year.

A summary of the government-wide *statement of net position* follows:

	Governmental		Business		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 63,788,175	\$ 67,266,356	\$ 21,955,559	\$ 16,648,899	\$ 85,743,734	\$ 83,915,255
Capital assets	<u>100,766,188</u>	<u>103,838,412</u>	<u>22,657,797</u>	<u>21,771,266</u>	<u>123,423,985</u>	<u>125,609,678</u>
Total assets	<u>164,554,363</u>	<u>171,104,768</u>	<u>44,613,356</u>	<u>38,420,165</u>	<u>209,167,719</u>	<u>209,524,933</u>
Liabilities:						
Current and other liabilities	17,186,269	23,166,614	5,583,158	4,724,230	22,769,427	27,890,844
Noncurrent liabilities	<u>129,909,201</u>	<u>24,178,429</u>	<u>3,851,692</u>	<u>271,680</u>	<u>133,760,893</u>	<u>24,450,109</u>
Total liabilities	<u>147,095,470</u>	<u>47,345,043</u>	<u>9,434,850</u>	<u>4,995,910</u>	<u>156,530,320</u>	<u>52,340,953</u>
Net assets:						
Net investment in capital assets	90,783,595	93,534,776	22,657,797	21,771,266	113,441,392	115,306,042
Restricted	8,922,448	8,054,083	-	-	8,922,448	8,054,083
Unrestricted	<u>(89,732,982)</u>	<u>22,170,866</u>	<u>12,247,482</u>	<u>11,652,989</u>	<u>(77,485,500)</u>	<u>33,823,855</u>
Total net position	<u>\$ 9,973,061</u>	<u>\$ 123,759,725</u>	<u>\$ 34,905,279</u>	<u>\$ 33,424,255</u>	<u>\$ 44,878,340</u>	<u>\$ 157,183,980</u>

It should be kept in mind while reviewing these schedules that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. These assets are used to provide services to its citizens and are *not* available for future spending.

A summary of the government-wide *statement of activities* follows:

	Governmental		Business		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$9,584,957	\$7,791,202	\$34,811,219	\$33,468,004	\$44,396,176	\$41,259,206
Operating grants and contributions	2,052,527	2,629,490	-	-	2,052,527	2,629,490
Capital grants and contributions	14,487,783	7,469,236	-	-	14,487,783	7,469,236
General revenues:						
Property taxes	8,380,084	8,452,120	-	-	8,380,084	8,452,120
Transient Occupancy taxes	5,423,972	5,964,403	-	-	5,423,972	5,964,403
Sales taxes	11,442,632	10,297,709	-	-	11,442,632	10,297,709
Utility user taxes	7,174,962	7,492,314	-	-	7,174,962	7,492,314
Franchise taxes	3,672,611	3,098,408	-	-	3,672,611	3,098,408
Business license taxes	10,879,547	10,884,351	-	-	10,879,547	10,884,351
Other taxes	6,038,013	7,340,943	-	-	6,038,013	7,340,943
Use of money and property, unrestricted	331,238	324,825	254,662	152,874	585,900	477,699
Other	<u>813,211</u>	<u>1,277,597</u>	<u>19,730</u>	<u>42,379</u>	<u>832,941</u>	<u>1,319,976</u>
Total revenues	<u>80,281,537</u>	<u>73,022,598</u>	<u>35,085,611</u>	<u>33,663,257</u>	<u>115,367,148</u>	<u>106,685,855</u>
Expenses						
General government	14,984,299	11,813,797	-	-	14,984,299	11,813,797
Public safety	41,422,188	31,891,478	-	-	41,422,188	31,891,478
Public works	9,150,452	8,459,550	-	-	9,150,452	8,459,550
Community & cultural	21,038,253	12,065,582	-	-	21,038,253	12,065,582
Interest on long-term debt	457,994	457,655	-	-	457,994	457,655
Water	-	-	25,035,801	23,946,676	25,035,801	23,946,676
Sewer	-	-	3,484,104	2,980,026	3,484,104	2,980,026
Golf Course	<u>-</u>	<u>-</u>	<u>2,190,195</u>	<u>2,091,413</u>	<u>2,190,195</u>	<u>2,091,413</u>
Total expenses	<u>87,053,186</u>	<u>64,688,062</u>	<u>30,710,100</u>	<u>29,018,115</u>	<u>117,763,286</u>	<u>93,706,177</u>
Excess (deficiency) before transfers	<u>(6,771,649)</u>	<u>8,334,536</u>	<u>4,375,511</u>	<u>4,645,142</u>	<u>(2,396,138)</u>	<u>12,979,678</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(6,771,649)</u>	<u>8,334,536</u>	<u>4,375,511</u>	<u>4,645,142</u>	<u>(2,396,138)</u>	<u>12,979,678</u>
Net position at beginning of year (as restated)	<u>16,744,710</u>	<u>115,425,189</u>	<u>30,529,768</u>	<u>28,779,113</u>	<u>47,274,478</u>	<u>144,204,302</u>
Net position at end of year	<u>9,973,061</u>	<u>\$123,759,725</u>	<u>34,905,279</u>	<u>33,424,255</u>	<u>44,878,340</u>	<u>157,183,980</u>

Governmental Activities

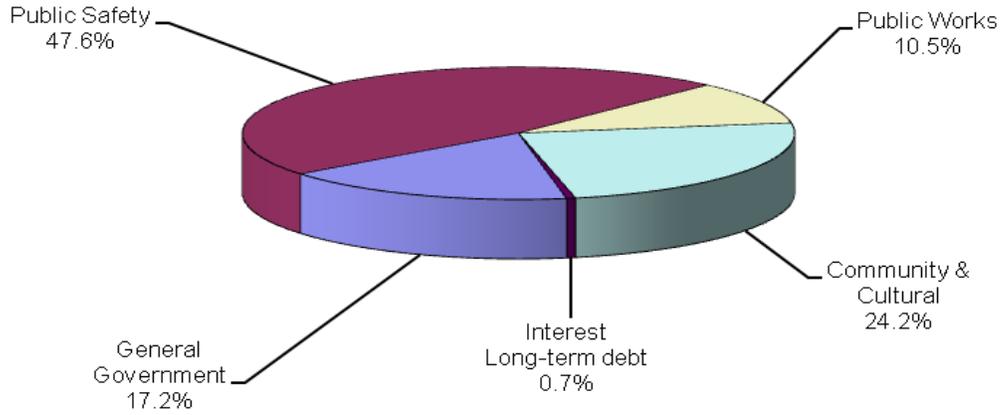
The City's net position from governmental activities decreased \$113,786,664. The decreases in net position are attributable to the decrease in revenues and increase in expenses in all governmental funds.

- In summary:
 - GASB 68 was implemented, which required recognition of the pension liability onto the financial statements decreasing net position by \$106,089,043;
 - Other Miscellaneous Taxes decreased by \$1,302,930;
 - Transient occupancy taxes decreased by \$540,431 primarily due to the temporary closing of the Hacienda due to remodeling and expansion;
 - Utility user taxes decreased by \$317,352 primarily due to a decrease in Gas UUT payments and continued water conservation;
 - Property taxes decreased by \$72,036 due to a slight decrease in unsecured taxes;
 - Business license taxes remained flat with a slight decrease in the amount of \$4,804;
 - Sales taxes increased by \$1,144,923 due to general economic recovery and a one-time adjustment from the State Board of Equalization;
 - Franchise taxes increased by \$574,203 due to an increase in the payments from Southern California Edison and from Time Warner Cable;
 - Public works expenses increased by \$690,902. Public Works expenses include non-capitalized routine street repair costs, such as slurry seal maintenance reimbursed from state and local agencies. An increase in these expenses was the main reason for this fluctuation when compared to prior years; and
 - Community & cultural expenses increased by \$8,972,671. This is mainly attributed to the increase in construction in the Residential Sound Insulation Program.

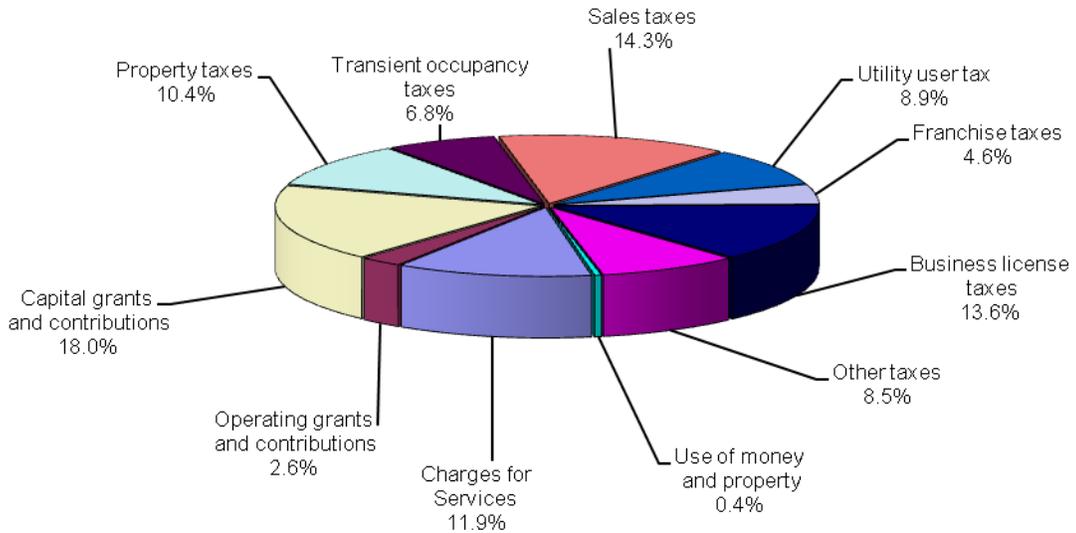
The cost of all governmental activities for the year was \$87.1 million. The taxes that ultimately financed these activities were only \$53.0 million and a portion of the costs were paid by those who directly benefited from the programs (\$9.6 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$16.5 million).

Overall, the City's governmental program revenues were \$26.1 million; of the remaining "public benefit" governmental activities, \$10.9 million were paid with business license taxes, utility user taxes of \$7.2 million, sales and use taxes of \$11.4 million, property taxes of \$8.4 million, franchise taxes of \$3.7 million, transient occupancy tax of \$5.4 million and other revenues and taxes of \$7.2 million.

**Governmental Activities
Expenses
Fiscal Year 2014-2015**



**Governmental Activities
Sources of Revenue
Fiscal Year 2014-2015**



Business-Type Activities

The programs for the business-type activities include the water, sewer and the golf course operations.

The City's net position from business-type activities increased by \$1,481,024. The cost of all Proprietary (Business Type) activities this year was \$30,710,100.

Charges for services are the major revenue source for the City's business-type activities, accounting for \$34,811,219 of total business-type activity revenue.

The Water Utility net cost of service of \$4,268,211 is attributable to an increase in water rates and reduction from operating expenses.

The Sewer Utility net cost of service of \$83,938 is attributable to an increase in sewer charges.

The Golf Course net cost of service of (\$251,030) is attributable to decrease revenues and increase from operating expenses.

Financial Analysis of the Government's Funds

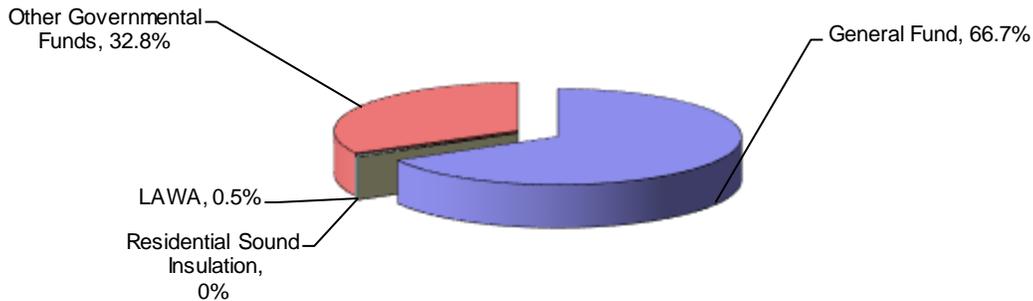
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,972,059, a decrease of \$3.6 million or 12.9% from the previous year. The City's General Fund decreased by \$39,895, which is relatively flat. Additionally, the LAWA Fund ended the year \$2.56 million lower than the prior year primarily due to the timing of construction drawdowns/payments. The remaining amount is an increase in the non-major Governmental funds of \$3.96 million which is largely from grants received. The portion of fund balance that is unreserved, undesignated for all governmental funds is \$8.23 million which represents amounts available for spending at the government's discretion.

Additionally, there are portions of the identified combined ending fund balance that are reserved to indicate that it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$970,593 (2) to represent amounts committed for inventory, receivables, advanced to other funds and prepaid costs \$2,575,497, (3) for a variety of other restricted purposes \$5,005,452. More details can be found in Note 15.

Governmental Fund Balance Fiscal Year 2014-2015



Major Funds: There are three major funds on the balance sheet for governmental funds. The first is the general fund, the chief operating fund of the City. At the end of the current fiscal year, the available fund balance (assigned and unassigned) was \$17,716,629 which represents 87.3% of total fund balance of \$20,292,126. As a measure of the general fund's available resources, it may be useful to compare restricted and total fund balance to total fund expenditures. The available fund balance represents 29.8% of total general fund expenditures, net of transfer out, while total general fund balance represents 34.1% of that same amount.

The fund balance of the City's General Fund has decreased by \$39,895 during the current fiscal year. This is attributable to a status quo in revenues and expenditures.

The other major funds on the City's governmental funds balance sheet are the Residential Sound Insulation Fund and LAWA Fund. The Residential Sound Insulation Fund has a total fund balance of (\$6,420,620), which is \$4,939,460 less than the prior year's balance of (\$1,481,160). This is a result of the program funds being held by the Federal Aviation Administration (FAA). The LAWA Fund has a total fund balance of \$141,776 which is \$2,555,682 lower than the prior year's balance of \$2,697,458. These funds are reimbursable through FAA Grants and Los Angeles World Airport (LAWA) settlement funds.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

Ending unrestricted net position for the proprietary funds is \$10,652,990 for the Water Utility Fund, \$7,287,675 for the Sewer Utility Fund and (\$5,707,011) for the Golf Course Fund. The total change in net position for the City's three proprietary funds is as follows:

- The Water Utility's net position increased by \$2,846,943 or an increase of 21% over net position of the prior year;

- The Sewer Utility's net position decreased \$1,098,957 or a decrease of 7.7% over net position of the prior year; and
- The Golf Course net position decreased \$237,860 or a net decrease of 4.1% over the prior year.

Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year, with the recommendation from the City's staff, the City Council revised the expenditure City budget several times. Adjustments were made as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the estimated cost at the beginning of the project was underestimated. All amendments that resulted in a net increase in appropriations are approved by the City Council.

Appropriations

Differences between the original budget and the final amended budget of the General Fund resulted in an increase in appropriations of \$2,951,707, or a net decrease in budgetary fund balance of \$2,951,707.

- \$1,840,250 in encumbrances for Non-departmental primarily related to vacation and sick leave payouts.
- \$1,293,838 in encumbrances, primarily for Planning & Building professional services.

Over-all, the general fund was on budget when comparing budget to actual. This was accomplished through a strong departmental team effort to develop and implement a prioritized expenditure policy. The most significant savings were in General Government. The reasons for these savings are as follows:

- The Planning Division came in \$788,000 under budget, primarily in contracted & professional services; and
- The Government Buildings Division came in \$386,000 under budget primarily due to unfilled vacancies.

Revenue

Charges for services had a budget change between the original budget and the final budget for revenue in the amount of approximately \$1.2 million. This was associated with an increase to plan check fees.

Some significant variances between the final budget and actual revenues are as follows:

- Taxes – The variance of \$1,056,763 above the final budget is mainly attributable sales taxes, franchise taxes and property taxes.

- Developer fees – The variance of \$432,810 above the final budget is mainly attributable to unanticipated one-time developer fees.

For the City’s general fund, amounts available for appropriation of \$82,199,102 was \$936,933 lower than actual revenues of \$83,136,035. Actual ending expenditures not including transfers out were \$59,367,497 which was \$2,071,417 less than the final budget of \$62,573,411, not including transfer out. The net effect of these variances between actual and budgeted was an increase in budgetary fund balance of \$4,412,831. Therefore, there was an increase in ending fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounts to \$123,423,985 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, park facilities, roads, highways, streets and bridges.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Capital assets not being depreciated						
Land	\$29,522,040	\$29,522,040	\$5,999,980	\$5,999,980	\$35,522,020	\$35,522,020
Construction in progress	<u>867,596</u>	<u>975,146</u>	<u>307,755</u>	<u>1,548,470</u>	<u>1,175,351</u>	<u>2,523,616</u>
Total capital assets not being depreciated	<u>30,389,636</u>	<u>30,497,186</u>	<u>6,307,735</u>	<u>7,548,450</u>	<u>36,697,371</u>	<u>38,045,636</u>
Capital assets being depreciated, net						
Buildings and improvements	19,864,034	20,228,327	3,628,371	3,855,402	23,492,405	24,083,729
Vehicles and equipment	3,766,809	4,055,225	269,983	206,179	4,036,792	4,261,404
Infrastructure	<u>46,745,709</u>	<u>49,057,674</u>	<u>12,451,708</u>	<u>10,593,855</u>	<u>59,197,417</u>	<u>59,651,529</u>
Total capital assets being depreciated, net	<u>70,376,552</u>	<u>73,341,226</u>	<u>16,350,062</u>	<u>14,655,436</u>	<u>86,726,614</u>	<u>87,996,662</u>
Total capital assets, net	<u>\$100,766,188</u>	<u>\$103,838,412</u>	<u>\$22,657,797</u>	<u>\$22,203,886</u>	<u>\$123,423,985</u>	<u>\$126,042,298</u>

Additional information on the City’s capital assets can be found in Note 5 of the Notes to Financial Statements in this report.

Long-term debt: The City’s governmental activities total debt decreased by \$515,060. The City’s business-type activities total debt increased by \$27,164, which is attributable to a decrease in compensated absences in the Water and Sewer Fund. City-wide, compensated absences decreased by \$1,353,910 and Claims and Judgments increased by \$1,132,729. Capital parking structure lease decreased by \$38,676 and facility lease decreased by \$282,367.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Compensated absences	\$5,468,955	\$6,795,701	\$244,516	\$271,680	\$5,713,471	\$7,067,381
Claims and judgments	8,131,222	6,998,493	-	-	8,131,222	6,998,493
Capital lease parking structure	2,263,002	2,301,678	-	-	2,263,002	2,301,678
Facility lease	<u>7,719,590</u>	<u>8,001,957</u>	<u>-</u>	<u>-</u>	<u>7,719,590</u>	<u>8,001,957</u>
Total long-term debt	<u>\$ 23,582,769</u>	<u>\$ 24,097,829</u>	<u>\$ 244,516</u>	<u>\$ 271,680</u>	<u>\$ 23,827,285</u>	<u>\$ 24,369,509</u>

Additional information on the City’s long-term debt can be found in Note 7 of the Notes to Financial Statements in this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

In preparing the budget for 2015-2016 the following economic factors significantly impacted the budget process:

- Increase cost in CalPERS retirement benefits for employees and funding of GASB 68 liability.
- Ongoing monitoring of gas utility users tax due to the fluctuation of the price of natural gas.
- Performance of national, state and primarily local economy and its impact on El Segundo’s major revenue sources.
- Negotiation with all bargaining units.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of El Segundo’s finances and to show the City’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City’s Finance Department at the City of El Segundo, 350 Main Street, El Segundo, CA 90245.

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BASIC FINANCIAL STATEMENTS

CITY OF EL SEGUNDO

Statement of Net Position

September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Park Vista Senior Housing December 31, 2014
<u>Assets</u>				
Cash and investments (note 3)	\$ 45,292,267	23,306,175	68,598,442	460,181
Receivables:				
Taxes	2,768,431	-	2,768,431	-
Accounts	859,039	4,071,727	4,930,766	-
Interest	102,871	-	102,871	-
Notes and loans (note 4)	120,722	-	120,722	-
Internal balances	5,647,847	(5,647,847)	-	-
Due from other governments	7,231,907	13,000	7,244,907	-
Inventories	89,501	103,265	192,766	-
Prepays	1,675,590	109,239	1,784,829	3,713
Capital assets, not being depreciated (note 5)	30,389,636	6,307,735	36,697,371	-
Capital assets, net of depreciation (note 5)	70,376,552	16,350,062	86,726,614	632,107
Total assets	<u>164,554,363</u>	<u>44,613,356</u>	<u>209,167,719</u>	<u>1,096,001</u>
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pension contributions (note 8)	2,131,368	80,074	2,211,442	-
Deferred outflows - actuarial (note 8)	9,877,406	466,732	10,344,138	-
Total deferred outflows of resources	<u>12,008,774</u>	<u>546,806</u>	<u>12,555,580</u>	<u>-</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	1,682,069	5,044,512	6,726,581	6,185
Accrued liabilities	1,807,787	96,576	1,904,363	-
Interest payable	36,925	-	36,925	-
Retention payable	89,392	128,480	217,872	-
Unearned revenue	12,688,895	165,277	12,854,172	665
Deposits payable	626,838	148,313	775,151	41,364
Due to other governments	254,363	-	254,363	-
Noncurrent liabilities (note 7):				
Due within one year	5,604,939	165,634	5,770,573	-
Due in more than one year	17,977,830	78,882	18,056,712	-
Net Pension liability (notes 8 and 10)	106,326,432	3,607,176	109,933,608	-
Total liabilities	<u>147,095,470</u>	<u>9,434,850</u>	<u>156,530,320</u>	<u>48,214</u>
<u>Deferred Inflows of Resources</u>				
Deferred inflows - actuarial (note 8)	19,494,606	820,033	20,314,639	-
	<u>19,494,606</u>	<u>820,033</u>	<u>20,314,639</u>	<u>-</u>
<u>Net position</u>				
Net investment in capital assets	90,783,595	22,657,797	113,441,392	632,107
Restricted for:				
Public safety	191,955	-	191,955	-
Public works	1,739,770	-	1,739,770	-
Capital projects	3,639,724	-	3,639,724	-
Community and cultural	3,350,999	-	3,350,999	-
Unrestricted	(89,732,982)	12,247,482	(77,485,500)	415,680
Total net position	<u>\$ 9,973,061</u>	<u>34,905,279</u>	<u>44,878,340</u>	<u>1,047,787</u>

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO

Statement of Activities

Year Ended September 30, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 14,984,299	635,350	175,000	-
Public safety	41,422,188	1,948,464	504,251	-
Public works	9,150,452	267,748	720,558	2,474,408
Community and cultural	21,038,253	6,733,395	652,718	12,013,375
Interest on long-term debt	457,994	-	-	-
Total governmental activities	<u>87,053,186</u>	<u>9,584,957</u>	<u>2,052,527</u>	<u>14,487,783</u>
Business-type activities:				
Water	25,035,801	29,304,012	-	-
Sewer	3,484,104	3,568,042	-	-
Golf course	2,190,195	1,939,165	-	-
Total business-type activities	<u>30,710,100</u>	<u>34,811,219</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 117,763,286</u>	<u>44,396,176</u>	<u>2,052,527</u>	<u>14,487,783</u>
Component unit:				
Park Vista Senior Housing	<u>\$ 624,641</u>	<u>622,191</u>	<u>-</u>	<u>-</u>

General revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Utility user taxes
- Franchise taxes
- Business licenses taxes
- Other taxes

Use of money and property, unrestricted

Other

Total general revenues

Change in net position

Net position at beginning of year, as restated (note 16)

Net position at end of year

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Park Vista Senior Housing, Year Ended December 31, 2014
(14,173,949)	-	(14,173,949)	-
(38,969,473)	-	(38,969,473)	-
(5,687,738)	-	(5,687,738)	-
(1,638,765)	-	(1,638,765)	-
(457,994)	-	(457,994)	-
<u>(60,927,919)</u>	<u>-</u>	<u>(60,927,919)</u>	<u>-</u>
-	4,268,211	4,268,211	-
-	83,938	83,938	-
-	(251,030)	(251,030)	-
<u>-</u>	<u>4,101,119</u>	<u>4,101,119</u>	<u>-</u>
<u>(60,927,919)</u>	<u>4,101,119</u>	<u>(56,826,800)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,450)</u>
8,380,084	-	8,380,084	-
5,423,972	-	5,423,972	-
11,442,632	-	11,442,632	-
7,174,962	-	7,174,962	-
3,672,611	-	3,672,611	-
10,879,547	-	10,879,547	-
6,038,013	-	6,038,013	-
331,238	254,662	585,900	726
813,211	19,730	832,941	-
<u>54,156,270</u>	<u>274,392</u>	<u>54,430,662</u>	<u>726</u>
(6,771,649)	4,375,511	(2,396,138)	(1,724)
<u>16,744,710</u>	<u>30,529,768</u>	<u>47,274,478</u>	<u>1,049,511</u>
<u>\$ 9,973,061</u>	<u>34,905,279</u>	<u>44,878,340</u>	<u>1,047,787</u>

CITY OF EL SEGUNDO

Governmental Funds

Balance Sheet

September 30, 2015

	Special Revenue				Total
	General	Residential Sound Insulation Fund	LAWA	Nonmajor Governmental Funds	
<u>Assets</u>					
Cash and investments	\$ 9,436,582	-	14,627,022	10,512,402	34,576,006
Receivables:					
Taxes	2,768,431	-	-	-	2,768,431
Accounts	840,740	-	1,784	4,332	846,856
Interest	89,448	-	13,423	-	102,871
Notes and loans (note 4)	66,317	-	-	54,405	120,722
Due from other funds (note 6)	8,571,862	2,338,427	-	-	10,910,289
Due from other governments	46,706	6,631,330	-	553,871	7,231,907
Advances to other funds (note 6)	1,762,421	-	-	-	1,762,421
Inventories	89,501	-	-	-	89,501
Prepays	657,258	-	-	-	657,258
Total assets	\$ 24,329,266	8,969,757	14,642,229	11,125,010	59,066,262
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 1,189,712	147,823	-	177,383	1,514,918
Accrued liabilities	1,654,363	28,635	-	21,814	1,704,812
Retentions payable	331	7,731	-	81,330	89,392
Due to other funds (note 6)	13,512	8,464,556	2,338,427	93,794	10,910,289
Due to other governments	254,363	-	-	-	254,363
Unearned revenue	30,868	110,302	12,162,026	385,699	12,688,895
Deposits payable	614,143	-	-	12,695	626,838
Total liabilities	3,757,292	8,759,047	14,500,453	772,715	27,789,507
Deferred inflows of resources:					
Unavailable revenue	279,848	6,631,330	-	393,518	7,304,696
Total deferred inflows of resources	279,848	6,631,330	-	393,518	7,304,696
Fund balances (deficit):					
Nonspendable	2,575,497	-	-	54,405	2,629,902
Restricted	-	-	141,776	4,963,764	5,105,540
Assigned	3,378,065	-	-	5,031,396	8,409,461
Unassigned	14,338,564	(6,420,620)	-	(90,788)	7,827,156
Total fund balances (deficits)	20,292,126	(6,420,620)	141,776	9,958,777	23,972,059
Total liabilities, deferred inflows of resources and fund balances	\$ 24,329,266	8,969,757	14,642,229	11,125,010	59,066,262

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO

Governmental Funds

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2015

Fund balances of governmental funds	\$	23,972,059
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		
Capital assets		157,118,241
Accumulated depreciation		(59,075,910)
Long term debt and compensated absences have not been included in the governmental fund activity.		
Capital leases payable		(9,982,592)
Compensated absences		(5,468,955)
Net pension liability		(106,089,043)
Accrued interest payable for the current portion of interest due on debt service has not been reported in the governmental funds.		(36,925)
Some of the City's revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditure and, therefore, are reported as deferred revenue in the governmental funds.		7,304,696
Deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Deferred outflows - contributions		2,125,977
Deferred outflows - actuarial		9,845,985
Deferred inflows - actuarial		(19,439,429)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.		9,698,957
Net position of governmental activities	\$	<u>9,973,061</u>

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2015

	Special Revenue				Total
	General	Residential Sound Insulation Fund	LAWA Fund	Nonmajor Governmental Funds	
Revenues:					
Taxes	\$ 42,103,363	-	-	28,911	42,132,274
Licenses and permits	12,973,204	-	-	-	12,973,204
Intergovernmental	10,931	284,495	6,862,428	1,761,987	8,919,841
Charges for services	6,196,402	1,150	-	-	6,197,552
Use of money and property	528,644	-	53,596	33,622	615,862
Fines and forfeitures	494,557	-	-	408,615	903,172
Developer fees	432,810	-	-	-	432,810
Miscellaneous	1,704,914	460	-	1,254,958	2,960,332
Total revenues	64,444,825	286,105	6,916,024	3,488,093	75,135,047
Expenditures:					
Current:					
General government	14,481,131	-	18,002	24,008	14,523,141
Public safety	33,065,640	-	-	628,424	33,694,064
Public works	5,573,105	-	-	1,013	5,574,118
Community and cultural	6,895,313	11,940,372	-	687,878	19,523,563
Capital outlay	13,100	-	-	1,007,933	1,021,033
Debt service:					
Principal retirement	-	-	-	282,987	282,987
Interest	-	-	-	229,674	229,674
Total expenditures	60,028,289	11,940,372	18,002	2,861,917	74,848,580
Excess (deficiency) of revenues over (under) expenditures	4,416,536	(11,654,267)	6,898,022	626,176	286,467
Other financing sources (uses):					
Transfers in (note 6)	-	6,862,428	-	3,276,408	10,138,836
Transfers out (note 6)	(3,476,412)	-	(6,862,428)	-	(10,338,840)
Total other financing sources (uses)	(3,476,412)	6,862,428	(6,862,428)	3,276,408	(200,004)
Net change in fund balances	940,124	(4,791,839)	35,594	3,902,584	86,463
Fund balances (deficits) at beginning of year, as restated (note 16)	19,352,002	(1,628,781)	106,182	6,056,193	23,885,596
Fund balances (deficits) at end of year	\$ 20,292,126	(6,420,620)	141,776	9,958,777	23,972,059

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended September 30, 2015

Net change in fund balances - total governmental funds \$ 86,463

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital additions	1,057,210
Depreciation expense	(4,005,735)

The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and changes in other long-term liabilities consumes the current resources of governmental funds but has no effect on net position.

Change in capital lease payable	321,043
Change in net pension liability and related deferred accounts	(10,344,018)

Accrued interest for debt service. This is the net change in accrued interest for the current period. 1,354

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 1,326,746

Receivable amounts that were earned in the audit period but not collected within the availability period have not been reported in the governmental funds. 5,117,388

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses) of the internal service funds must be added to the Statement of Net Position. (332,100)

Change in net position of governmental activities \$ (6,771,649)

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO
Proprietary Funds

Statement of Net Position

September 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
<u>Assets</u>	Water	Sewer	Golf Course	Total	
Current assets:					
Cash and investments	\$ 14,621,898	8,612,804	71,473	23,306,175	10,716,261
Accounts receivable	3,465,013	605,886	828	4,071,727	12,183
Due from other governments	-	-	13,000	13,000	-
Advances to other funds (note 6)	-	-	-	-	3,893,254
Inventories	-	-	103,265	103,265	-
Prepays	6,461	102,778	-	109,239	1,018,332
Total current assets	18,093,372	9,321,468	188,566	27,603,406	15,640,030
Noncurrent assets:					
Capital assets, net	5,693,150	5,814,699	11,149,948	22,657,797	2,723,857
Total noncurrent assets	5,693,150	5,814,699	11,149,948	22,657,797	2,723,857
Total assets	23,786,522	15,136,167	11,338,514	50,261,203	18,363,887
<u>Deferred Outflows of Resources</u>					
Deferred outflows - pension contributions	49,307	30,767	-	80,074	5,391
Deferred outflows - actuarial	287,398	179,334	-	466,732	31,421
Total deferred outflows of resources	336,705	210,101	-	546,806	36,812
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	4,615,639	409,504	19,369	5,044,512	167,151
Accrued liabilities	35,430	21,342	39,804	96,576	102,975
Retentions payable	107,544	20,936	-	128,480	-
Unearned revenue	-	-	165,277	165,277	-
Deposits payable	138,861	-	9,452	148,313	-
Advances from other funds (note 6)	-	-	5,655,675	5,655,675	-
Claims and judgments, current portion	-	-	-	-	1,657,401
Compensated absences, current portion	102,160	63,474	-	165,634	-
Total current liabilities	4,999,634	515,256	5,889,577	11,404,467	1,927,527
Noncurrent liabilities:					
Claims and judgments, net of current	-	-	-	-	6,473,821
Compensated absences, net of current	68,075	10,807	-	78,882	-
Net pension liability	2,204,519	1,402,657	-	3,607,176	237,389
Total noncurrent liabilities	2,272,594	1,413,464	-	3,686,058	6,711,210
Total liabilities	7,272,228	1,928,720	5,889,577	15,090,525	8,638,737
<u>Deferred Inflows of Resources</u>					
Deferred inflows - actuarial	504,859	315,174	-	820,033	55,177
Total deferred inflows of resources	504,859	315,174	-	820,033	55,177
<u>Net position</u>					
Net position:					
Investment in capital assets	5,693,150	5,814,699	11,149,948	22,657,797	2,723,857
Unrestricted	10,652,990	7,287,675	(5,701,011)	12,239,654	6,982,928
Total net position	\$ 16,346,140	13,102,374	5,448,937	34,897,451	9,706,785
Reconciliation of Net Position to the Statements of Net Position:					
Net position per statements of net position - proprietary funds				\$ 34,897,451	
Adjustments to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				7,828	
Net Position per Statement of Net Position				\$ 34,905,279	

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Golf Course	Total	Activities - Internal Service Funds
Operating revenues:					
Sales and service charges	\$ 29,304,012	3,568,042	1,939,165	34,811,219	-
Interdepartmental charges	-	-	-	-	4,159,866
Miscellaneous	13,393	5,099	1,238	19,730	304,867
Total operating revenues	<u>29,317,405</u>	<u>3,573,141</u>	<u>1,940,403</u>	<u>34,830,949</u>	<u>4,464,733</u>
Operating expenses:					
Personnel services	1,694,500	1,070,323	720,578	3,485,401	203,539
Materials and supplies	215,204	89,699	391,258	696,161	149,002
Purchased water/utilities	21,489,969	-	187,233	21,677,202	-
Insurance and claims	744,600	230,100	122,106	1,096,806	4,109,463
Contractual services	88,775	1,305,663	-	1,394,438	-
Repairs and maintenance	182,859	96,401	210,861	490,121	-
Administrative cost	379,739	150,902	341,335	871,976	-
Depreciation	229,387	534,614	204,892	968,893	571,020
Total operating expenses	<u>25,025,033</u>	<u>3,477,702</u>	<u>2,178,263</u>	<u>30,680,998</u>	<u>5,033,024</u>
Operating income (loss)	<u>4,292,372</u>	<u>95,439</u>	<u>(237,860)</u>	<u>4,149,951</u>	<u>(568,291)</u>
Nonoperating revenues (expenses):					
Interest revenue	150,300	104,362	-	254,662	-
Gain (loss) on disposal of capital assets	-	-	-	-	7,085
Total nonoperating revenues (expenses)	<u>150,300</u>	<u>104,362</u>	<u>-</u>	<u>254,662</u>	<u>7,085</u>
Income (loss) before transfers	<u>4,442,672</u>	<u>199,801</u>	<u>(237,860)</u>	<u>4,404,613</u>	<u>(561,206)</u>
Interfund transfers:					
Transfers in (note 6)	-	-	-	-	200,004
Total interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,004</u>
Change in net position	4,442,672	199,801	(237,860)	4,404,613	(361,202)
Net position at beginning of year, as restated (note 16)	<u>11,903,468</u>	<u>12,902,573</u>	<u>5,686,797</u>		<u>10,067,987</u>
Net position at end of year	<u>\$ 16,346,140</u>	<u>13,102,374</u>	<u>5,448,937</u>		<u>9,706,785</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.				<u>(29,102)</u>	
Changes in Net Position of Business-Type Activities per Statement of Activities				<u>\$ 4,375,511</u>	

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO

Proprietary Funds

Statement of Cash Flows

Year Ended September 30, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 29,127,075	3,455,134	1,938,443	34,520,652	-
Cash received from user departments	-	-	-	-	4,480,103
Cash payments to suppliers for goods and services	(22,659,175)	(1,525,817)	(1,249,190)	(25,434,182)	(3,185,794)
Cash payments to employees for services	(1,362,907)	(880,068)	(715,831)	(2,958,806)	(198,188)
Net cash provided by operating activities	<u>5,104,993</u>	<u>1,049,249</u>	<u>(26,578)</u>	<u>6,127,664</u>	<u>1,096,121</u>
Cash flows from noncapital financing activities:					
Cash received from other funds	-	-	-	-	840,862
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>840,862</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(816,011)	(608,151)	-	(1,424,162)	(447,319)
Proceeds from sale of capital assets	-	-	-	-	7,085
Net cash provided by (used for) capital and related financing activities	<u>(816,011)</u>	<u>(608,151)</u>	<u>-</u>	<u>(1,424,162)</u>	<u>(440,234)</u>
Cash flows from investing activities:					
Interest on investments	<u>150,300</u>	<u>104,362</u>	<u>-</u>	<u>254,662</u>	<u>-</u>
Net cash provided by investing financing activities	<u>150,300</u>	<u>104,362</u>	<u>-</u>	<u>254,662</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	4,439,282	545,460	(26,578)	4,958,164	1,496,749
Cash and cash equivalents at beginning of year	<u>10,182,616</u>	<u>8,067,344</u>	<u>98,051</u>	<u>18,348,011</u>	<u>9,219,512</u>
Cash and cash equivalents at end of year	<u>\$ 14,621,898</u>	<u>8,612,804</u>	<u>71,473</u>	<u>23,306,175</u>	<u>10,716,261</u>

(Continued)

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO

Proprietary Funds

Statement of Cash Flows

(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf Course	Total	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 4,292,372	95,439	(237,860)	4,149,951	(568,291)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	229,387	534,614	204,892	968,893	571,020
(Increase) decrease in accounts receivable	(190,330)	(118,007)	1,684	(306,653)	15,370
(Increase) decrease in due from other governments	-	-	(5,000)	(5,000)	-
(Increase) decrease in inventories	-	-	(24,842)	(24,842)	-
(Increase) decrease in prepaids	(6,180)	(34,923)	-	(41,103)	(153,690)
Increase (decrease) in deferred outflows	(336,705)	(210,101)	-	(546,806)	(36,812)
Increase (decrease) in accounts payable	401,310	360,935	22,270	784,515	93,632
Increase (decrease) in accrued liabilities	3,904	(1,475)	4,747	7,176	(31,790)
Increase (decrease) in retentions payable	2,799	20,936	-	23,735	-
Increase (decrease) in unearned revenue	-	-	1,356	1,356	-
Increase (decrease) in deposits payable	44,042	-	6,175	50,217	-
Increase (decrease) in compensated absences payable	(9,922)	(17,242)	-	(27,164)	-
Increase (decrease) in net pension liability	169,457	103,899	-	273,356	18,776
Increase (decrease) in deferred inflows	504,859	315,174	-	820,033	55,177
Increase (decrease) in claims and judgments	-	-	-	-	1,132,729
Net cash provided by (used for) operating activities	<u>\$ 5,104,993</u>	<u>1,049,249</u>	<u>(26,578)</u>	<u>6,127,664</u>	<u>1,096,121</u>

Noncash capital, financing, investing activities

There were no significant noncash capital, financing, or investing activities during the fiscal year ended September 30, 2015.

CITY OF EL SEGUNDO
Agency Funds

Statement of Fiduciary Assets and Liabilities

September 30, 2015

<u>Assets</u>	
Cash and investments (note 3)	\$ 740,692
Total assets	<u>\$ 740,692</u>
<u>Liabilities</u>	
Accounts payable	\$ 42,872
Deposits	<u>697,820</u>
Total liabilities	<u>\$ 740,692</u>

See accompanying notes to basic financial statements.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

Year Ended September 30, 2015

(1) **Organization and Summary of Significant Accounting Policies**

(a) Description of the Reporting Entity

The City of El Segundo was incorporated on January 18, 1917, under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of El Segundo (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and therefore data from these units are combined with data of the primary government. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of El Segundo.

The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the above criteria, the component units of the City include the El Segundo Capital Improvement Corporation and the El Segundo Senior Citizen Housing Corporation, dba Park Vista.

Blended Component Unit

The El Segundo Capital Improvement Corporation ("the Corporation") was established July 1, 1988, pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code) solely for the purpose of providing financial assistance to the City by acquiring, constructing, improving and developing certain real and personal property. Activities of the Corporation are recorded in the Capital Projects and Debt Service Funds. The City Council of the City of El Segundo is the governing board for the Corporation. During fiscal year 2014-15, the Corporation had no financial activities and separate financial statements have not been issued.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(a) Description of the Reporting Entity (Continued)

Discretely Presented Component Unit

The El Segundo Senior Citizen Housing Corporation, dba Park Vista (“the Corporation”), is a California nonprofit public benefit corporation created by the City of El Segundo in 1984 to operate a low income senior apartment complex. The apartment complex was built and funded by the City. In 1987, the complex was ready for occupancy. Rather than operate the complex as a fund of the City, the City elected to form the Corporation to facilitate better communication with the residents who live there. The Corporation is managed by a seven-member Board of Directors, which is appointed by the City Council. The City is financially accountable and has the ability to impose its will on the Corporation which has the potential to provide specific financial benefits to, or impose specific financial burdens on, the City. As a result, the activities of the Corporation have been discretely presented. All members of the Board of Directors are unpaid volunteers.

The Corporation’s fiscal year end is December 31, which is different than the City’s fiscal year end. Additionally, the financial statements are audited by other independent auditors. Separate financial statements may be obtained at City Hall, City of El Segundo, 350 Main Street, El Segundo, CA 90245.

In May 1986, the City entered into an agreement with the Senior Citizen Housing Corporation Board. The City built the Senior Housing Center, and the Senior Citizen Housing Corporation Board issued a promissory note for \$1,780,000, payable over 20 years at 8% interest to repay the City for its construction costs. Furthermore, the City and Board issued an additional amount of \$2,345,538 and \$882,545, principal and interest, respectively. The City will still own the property at the end of 20 years. Therefore, the note payments are treated by the City as rent income.

(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.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and 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 meeting 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) Fund Classifications

The City reports the following major governmental funds:

General Fund

This fund is used to account for all financial resources that are not restricted as to their use. These include sales and use taxes, business license fees, property taxes, utility user's tax, franchise taxes, interest earnings, various permit fees, charges for services, and other miscellaneous revenues.

Residential Sound Insulation Fund (RSI)

This fund accounts for the Federal Aviation Administration grant funds used for residential sound insulation of dwellings located in the airport noise impact area.

LAWA Fund

This fund accounts for additional funding for the City's Residential Sound Insulation Program that is received from Los Angeles World Airports.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(c) Fund Classifications (Continued)

The City reports the following major enterprise funds:

Water Fund

This fund accounts for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of City's water distribution system.

Sewer Fund

This fund accounts for the financial transactions of the City's wastewater collection system.

Golf Course Fund

This fund accounts for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility.

Additionally, the City reports the following fund types:

Internal Service Funds

These funds account for financial transactions related to repair, replacement and maintenance of City-owned equipment, and the City's self-insurance programs. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

Agency Funds

These funds are used to account for deposits held by the City Treasurer as a guarantee of specific performance by outside organizations. These deposits are refundable upon completion of the specified performance.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(d) 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 fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

Governmental fund 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 or soon enough thereafter to pay liabilities of 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 a 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.

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 City'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.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating 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 and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprises Funds and Internal Service 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 non-operating revenues and expenses.

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

The City reports one agency fund. Agency funds are used to account for situations where the government's role is purely custodial. All assets reported in an agency fund are offset by a liability to the party on whose behalf they are held. Agency funds have no measurement focus.

(e) Cash and Investments

For purpose of the statement of cash flows, the City considers cash and cash equivalents as short-term, highly liquid investments with maturities of three months or less at the time of purchase. The City follows the practice of pooling cash and investments of all funds. Since cash and investments are pooled, the City utilizes the assumption that the cash and investments in the Enterprise and Internal Service Funds are cash and cash equivalents.

Investments for the City, as well as for its component unit, are reported at fair value as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In applying GASB 31, the City utilized the following methods and assumptions:

1. Fair value is based on quoted market prices as of the valuation date;
2. The portfolio did not hold investments in any of the following:
 - a. Items required to be reported at amortized cost;
 - b. Items in external pools that are not SEC-registered;

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(e) Cash and Investments (Continued)

- c. Items subject to involuntary participation in an external pool; and
 - d. Items associated with a fund other than the fund to which the income is assigned.
3. Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General Fund to the extent its cash and investments' balances exceed the cumulative value of those investments subject to GASB 31;
 4. The unrealized gain/loss resulting from valuation will be reported within the revenue account "use of money and property" on the Statement of Revenues, Expenditures and Changes in Fund Balance.

The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is equal to the fair value of the pool shares.

(f) Receivables and Payables

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

The portion of fund balance associated with amounts that have been disbursed to other funds in the form of long-term interfund advances have been classified as nonspendable unless the funds associated with repayment of the advances are otherwise restricted for specific purposes.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) Organization and Summary of Significant Accounting Policies (Continued)

(f) Receivables and Payables (Continued)

Property tax revenue is recognized on the basis of National Council on Governmental Accounting (NCGA) Interpretation No. 3 (adopted by GASB); that is, in the fiscal year for which the taxes have been levied providing they become available. Available means collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 each year and are delinquent, if unpaid, on August 31.

(g) Inventories

Inventories of materials and supplies are carried at cost on a first-in, first-out basis. The City uses the consumption method for accounting for inventories. The fund balances have been classified as nonspendable for amounts equal to the inventories in the fund-level statements, since these amounts are not available for appropriation.

(h) Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased. The fund balances in the governmental fund types have been classified as nonspendable for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

(i) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks 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 more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) Organization and Summary of Significant Accounting Policies (Continued)

(i) Capital Assets (Continued)

In accordance with GASB Statement No. 34, the City has reported its general infrastructure assets. The City defined infrastructure assets as roadway, storm drain, parks, water system, sewer system and similar items with an initial individual cost of more than \$100,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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.

Infrastructure, property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Vehicles and equipment	5-50
Infrastructure	25-100

(j) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Upon termination an employee will be paid for any unused vacation pay up to an approved amount of hours. Sick leave is payable when an employee is unable to work because of illness. Upon retirement (minimum five years of service) an employee will be paid at a rate of 50% to 100% depending on the type of retirement. All vacation pay and sick leave are accrued when incurred in the government-wide financial statements and proprietary fund financial statements.

(k) Claims and Judgments

The City is partially self-insured for general liability and workers' compensation claims. The City records estimated liabilities for such claims filed or estimated to be filed for incidents, which have occurred. The City's claims and judgments payable are recorded in the City's Liability Insurance and Workers' Compensation Internal Service Funds. See Note 11 for details on possible future claims.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(I) Fund Balances

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Council action limiting the use of funds is included in the same action (legislation) that created (enabled) the funding source, then it is restricted.

Committed Fund Balance – this includes amounts that can be used only for the specific purposes determined by a formal action of the Council. It includes legislation (Council action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Council action limiting the use of the funds is separate from the action (legislation) that created (enabled) the funding source, then it is committed, not restricted. The City considers a resolution to constitute a formal action of City Council for the purposes of establishing committed fund balances.

Assigned Fund Balance – this includes amounts that are designated or expressed by the Council, but does not require a formal action like a resolution or ordinance. The Council may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. The Council has by resolution authorized the Finance Director to assign fund balance.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(m) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as costs when incurred.

(n) Functional Classifications

Expenditures of the governmental funds are classified by function. Functional classifications are defined as follows:

General government – includes legislative activities that have a primary objective of providing legal and policy guidelines for the City. Also, included in this classification are those activities that provide management or support services across more than one functional area.

Public safety – includes those activities that involve the protection of people and property.

Public works – includes those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.

Community and cultural – includes those activities that involve the enhancing of the general quality of life.

Debt service – includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(o) Use of 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 expenditures during the reporting period. Actual results could differ from those estimates.

(p) Reclassifications

Certain minor reclassifications of prior year data have been made in order to enhance its comparability with current year figures.

(q) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 that time. The government has two items that qualify for reporting in this category. Deferred outflows – contributions and deferred outflows – actuarial. All of these items relate to the recording of the pension liability.

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. One of these items arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue related to items received outside the City's availability period of 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, deferred inflows – actuarial is the net difference between the projected and actual earnings on the City's pension plan investments.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(1) Organization and Summary of Significant Accounting Policies (Continued)

(r) Pensions

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2015
Measurement Period (MP)	June 30, 2014 to June 30, 2015

(2) Budgetary Compliance and Deficit Fund Balances

(a) Excess of Expenditures Over Appropriations

It is the City's intention to seek authority from the City Council to realign the current year's budget to reflect priority changes in the goals and objectives of the City. This realignment did not take place in the current year budget; therefore, expenditures exceeded appropriations in the following funds:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Major Special Revenue Fund:			
LAWA Fund	\$ 18,002	-	18,002
Non-Major Special Revenue Fund:			
C.O.P.S. Fund	178,411	173,960	4,451

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(2) Budgetary Compliance and Deficit Fund Balances (Continued)

(b) Fund Balance Deficits

The following funds contained deficit fund balances at September 30, 2015:

Major Special Revenue Fund:	
Residential Sound Insulation Fund	\$6,420,620
Nonmajor Special Revenue Fund:	
Traffic Safety Fund	5,275
Federal Grants Fund	4,642
State Grants Fund	68,154

The City expects to eliminate these deficits when future reimbursements are received from granting agencies.

(3) Cash and Investments

Primary Government

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

Statement of Net Position:	
Cash and investments	\$68,919,968
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>740,692</u>
Total cash and investments	<u>\$69,660,660</u>

Cash and investments of the primary government as of September 30, 2015 consist of the following:

Cash on hand	\$ 25,388
Deposits with financial institutions	14,930,716
Investments	<u>54,704,556</u>
Total cash and investments	<u>\$69,660,660</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(3) Cash and Investments (Continued)

Discretely Presented Component Unit

Cash and investments of the discretely presented component unit as of December 31, 2014 consist of the following:

Deposits with financial institutions	\$251,763
Investments	<u>208,418</u>
Total cash and investments	<u>\$460,181</u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code Section 53601 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 if 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 trustees 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>Type of Investment</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury securities	5 years	100%	none
Federal agency securities	5 years	100%	none
Bankers' acceptances	180 days	40%	30%
Commercial paper	180 days	25%	10%
Negotiable CDs	5 years	30%	none
Repurchase agreements	90 days	50%	none
Medium term notes	5 years	30%	none
Mutual funds	n/a	15%	10%
Local Agency Investment Fund (LAIF)	n/a	none	100%

Each of the maximums included in the table on the previous page are based upon state law requirements or investment policy requirements whichever is more restrictive.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(3) Cash and Investments (Continued)

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 is 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 trustees, 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>Total</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
Federal agency securities	\$15,290,373	251,072	5,104,486	9,934,815
Negotiable CDs	9,197,337	2,751,152	2,510,121	3,936,064
Medium term notes	3,773,445	1,256,180	506,985	2,010,280
LAIF	<u>26,443,401</u>	<u>26,443,401</u>	<u>-</u>	<u>-</u>
Total	<u>\$54,704,556</u>	<u>30,701,805</u>	<u>8,121,592</u>	<u>15,881,159</u>

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 are the minimum ratings required by, where applicable, the California Government Code or the City's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Total</u>	<u>Remaining as of Year End</u>			
			<u>AAA</u>	<u>AA/A</u>	<u>BAA</u>	<u>Not Rated</u>
Federal agency securities	N/A	\$15,290,373	-	14,276,093	-	1,014,280
Negotiable CDs	N/A	9,197,337	-	-	-	9,197,337
Medium term notes	A	3,773,445	-	3,273,360	500,085	-
LAIF	N/A	<u>26,443,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,443,401</u>
Total		<u>\$54,704,556</u>	<u>-</u>	<u>17,549,453</u>	<u>500,085</u>	<u>36,655,018</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(3) Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

The \$208,418 investment of the discretely presented component unit was invested in LAIF as of December 31, 2014. This investment had a maturity of less than 12 months and since it was an investment pool it was unrated.

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 what is stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage of Total Investments</u>
Federal National Mortgage Association	Federal agency securities	\$ 3,996,680	7%
Federal Farm Credit Bank	Federal agency securities	3,766,555	7%
Federal Home Loan Mortgage Corporation	Federal agency securities	5,231,753	10%

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 provisions 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 governmental unit.
- The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the City.
- 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 City deposits.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

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

Custodial Credit Risk (Continued)

Investments held by a bond trustee are selected under the terms of the applicable trust agreement. The trustee acquires the investment and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 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. Currently, LAIF does not have an investment rating.

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

- Federal agency securities with step-up coupon rate types that grant the issuer the option to call the note on certain specified dates. At each call date, should the issuer not call the note, the coupon rate of the note increases (steps up) by an amount specified at the inception of the note. The call feature embedded within a step-up note causes the fair value of the instrument to be considered highly sensitive to interest rate changes. As of September 30, 2015, the fair value of these securities amounted to \$501,395.

(4) **Notes and Loans Receivables**

The balance of notes receivable in the General Fund consists of loans made to employees for computer purchases. The balance at September 30, 2015 was \$66,317.

The balance of notes receivable in the other governmental funds consists of minor home repair loans made to qualifying homeowners residing within the City. The balance at September 30, 2015 was \$54,405.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets

Primary Government:

Capital asset activity of the primary government for the year ended September 30, 2015 was as follows:

	<u>Balance at</u> <u>October 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>September 30, 2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and rights of way	\$ 29,522,040	-	-	29,522,040
Construction-in-progress	<u>975,146</u>	<u>279,030</u>	<u>(386,580)</u>	<u>867,596</u>
Total capital assets, not being depreciated	<u>30,479,186</u>	<u>279,030</u>	<u>(386,580)</u>	<u>30,389,636</u>
Capital assets being depreciated:				
Buildings and improvements	36,101,753	386,577	-	36,488,330
Vehicles and equipment	16,217,954	621,167	(27,289)	16,811,832
Infrastructure:				
Pavement	60,850,099	-	-	60,850,099
Sidewalks	2,497,470	41,000	-	2,538,470
Curbs and gutters	1,773,741	-	-	1,773,741
Traffic signals	4,848,792	-	-	4,848,792
Medians	546,730	-	-	546,730
Street trees	302,692	-	-	302,692
Storm drains	3,489,578	-	-	3,489,578
Parks and recreation	<u>9,278,103</u>	<u>-</u>	<u>-</u>	<u>9,278,103</u>
Total capital assets being depreciated	<u>135,906,912</u>	<u>1,048,744</u>	<u>(27,289)</u>	<u>136,928,367</u>
Less accumulated depreciation:				
Buildings and improvements	15,873,426	750,870	-	16,624,296
Vehicles and equipment	12,162,729	909,583	(27,289)	13,045,023
Infrastructure:				
Pavement	25,533,586	1,715,855	-	27,249,441
Sidewalks	824,893	49,965	-	874,858
Curbs and gutters	736,617	35,475	-	772,092
Traffic signals	3,883,179	142,373	-	4,025,552
Medians	200,002	10,935	-	210,937
Storm drains	923,395	34,896	-	958,291
Parks and recreation	<u>2,427,859</u>	<u>363,466</u>	<u>-</u>	<u>2,791,325</u>
Total accumulated depreciation	<u>62,565,686</u>	<u>4,013,418</u>	<u>(27,289)</u>	<u>66,551,815</u>
Total capital assets being depreciated, net	<u>73,341,226</u>	<u>(2,964,674)</u>	<u>-</u>	<u>70,376,552</u>
Governmental activities capital assets	<u>\$ 103,838,412</u>	<u>(2,685,644)</u>	<u>(386,580)</u>	<u>100,766,188</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets (Continued)

Primary Government (Continued)

	Balance at October 1, <u>2014*</u>	<u>Additions</u>	<u>Deletions</u>	Balance at September 30, <u>2015</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,999,980	-	-	5,999,980
Construction-in-progress	<u>1,548,470</u>	<u>766,035</u>	<u>(2,006,750)</u>	<u>307,755</u>
Total capital assets, not being depreciated	<u>7,548,450</u>	<u>766,035</u>	<u>(2,006,750)</u>	<u>6,307,735</u>
Capital assets being depreciated:				
Building and improvements	8,755,787	-	-	8,755,787
Improvements other than buildings	418,161	-	-	418,161
Vehicles and equipments	721,191	135,750	-	856,941
Infrastructure	<u>48,825,765</u>	<u>2,527,769</u>	<u>-</u>	<u>51,353,534</u>
Total capital assets being depreciated	<u>58,720,904</u>	<u>2,663,519</u>	<u>-</u>	<u>61,384,423</u>
Less accumulated depreciation:				
Building and improvements	5,270,109	206,123	-	5,476,232
Improvements other than buildings	48,437	20,908	-	69,345
Vehicles and equipment	515,012	71,946	-	586,958
Infrastructure	<u>38,231,910</u>	<u>669,916</u>	<u>-</u>	<u>38,901,826</u>
Total accumulated depreciation	<u>44,065,468</u>	<u>968,893</u>	<u>-</u>	<u>45,034,361</u>
Total capital assets being depreciated, net	<u>14,655,436</u>	<u>1,694,626</u>	<u>-</u>	<u>16,350,062</u>
Business-type activities capital assets	<u>\$22,203,886</u>	<u>2,460,661</u>	<u>(2,006,750)</u>	<u>22,657,797</u>

* Balance at October 1, 2014, as restated. See footnote 16 for additional information.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets (Continued)

Discretely Presented Component Unit

Capital asset activity of the discretely presented component unit for the year ended December 31, 2014 was as follows:

	Balance at January 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, <u>2014</u>
Capital assets being depreciated:				
Building and improvements	\$ 671,186	360,687	-	1,031,873
Furniture and equipment	<u>270,967</u>	<u>9,736</u>	<u>-</u>	<u>280,703</u>
Total capital assets being depreciated	<u>942,153</u>	<u>370,423</u>	<u>-</u>	<u>1,312,576</u>
Less accumulated depreciation:				
Building and improvements	404,896	35,401	-	440,297
Furniture and equipment	<u>224,876</u>	<u>15,296</u>	<u>-</u>	<u>240,172</u>
Total accumulated depreciation	<u>629,772</u>	<u>50,697</u>	<u>-</u>	<u>680,469</u>
Total capital assets being depreciated, net	<u>312,381</u>	<u>319,726</u>	<u>-</u>	<u>632,107</u>
Total capital assets, net	<u>\$ 312,381</u>	<u>319,726</u>	<u>-</u>	<u>632,107</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 17,241
Public safety	191,939
Public works	2,585,546
Community and cultural	647,672
Capital assets held by the City's internal service funds are charged to the various function based on their usage of assets	<u>571,020</u>
Total governmental activities	<u>\$4,013,418</u>
Business-type activities:	
Water	\$ 229,387
Sewer	534,614
Golf course	<u>204,892</u>
Total business-type activities	<u>\$ 968,893</u>
Discretely presented component unit:	
Park Vista	<u>\$ 50,697</u>

(6) Interfund Activities

The composition of interfund balances as of September 30, 2015 is as follows:

Due From/To Other Funds

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>RSI Fund</u>	<u>LAWA Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund (1)	\$ 13,512	8,464,556	-	93,794	8,571,862
Residential Sound Insulation Fund (2)	<u>-</u>	<u>-</u>	<u>2,338,427</u>	<u>-</u>	<u>2,338,427</u>
Totals	<u>\$ 13,512</u>	<u>8,464,556</u>	<u>2,338,427</u>	<u>93,794</u>	<u>10,910,289</u>

(1) The \$8,571,862 represents short term borrowings due to negative cash at year end.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(6) Interfund Activities (Continued)

Due From/To Other Funds (Continued)

(2) The \$2,338,427 represents the amount due to the Residential Sound Insulation Program from the LAWA Fund for drawdowns that were incurred but not billed as of September 30, 2015.

Advances To/From Other Funds

	<u>Advances from Other Funds</u>
<u>Advances to Other Funds</u>	<u>Golf Course Fund</u>
General Fund	\$1,762,421
Internal Service Funds	<u>3,893,254</u>
Totals	<u>\$5,655,675</u>

During the year ended September 30, 2011, an advance was entered into between the Golf Course Fund, the General Fund and the Equipment Replacement Fund in the amount of \$5,143,779. This amount was \$5,655,675 as of September 30, 2015.

Interfund Transfers

	<u>Transfers In</u>			
<u>Transfers Out</u>	<u>Internal Service Fund</u>	<u>Residential Sound Insulation Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General Fund	\$ 200,004	-	3,276,408	3,476,412 (1)
LAWA Fund	<u>-</u>	<u>6,862,428</u>	<u>-</u>	<u>6,862,428</u> (2)
Totals	<u>\$ 200,004</u>	<u>6,862,428</u>	<u>3,276,408</u>	<u>10,338,840</u>

Interfund transfers during the year ended September 30, 2015 were made for the following purposes:

(1) The General Fund transferred \$3,200,004 to the Capital Improvement Fund to provide funding for the completion of various capital projects. The General Fund also transferred \$200,004 to the Equipment Replacement Fund to provide adequate reserves for future equipment replacement and transferred \$76,404 to the CDBG fund for reimbursements not supported by grant reimbursements.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(6) Interfund Activities (Continued)

Interfund Transfers (Continued)

(2) The LAWA Special Revenue Fund transferred \$6,862,428 to the Residential Sound Insulation Special Revenue Fund to reimburse the Residential Sound Insulation program for 20% of allowable program expenditures that are funded with LAWA monies.

(7) Noncurrent Liabilities

Governmental Activities

The following is a summary of changes in governmental activities long-term debt of the City for the year ended September 30, 2015:

	Balance at October 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance at September 30, <u>2015</u>	Due within one <u>year</u>
Compensated absences	\$ 6,795,701	2,487,410	(3,814,156)	5,468,955	3,615,039
Claims and judgments	6,998,493	2,676,272	(1,543,543)	8,131,222	1,657,401
Capital lease – parking structure	2,301,678	-	(38,676)	2,263,002	41,390
Facility lease	<u>8,001,957</u>	<u>-</u>	<u>(282,367)</u>	<u>7,719,590</u>	<u>291,109</u>
Totals	<u>\$ 24,097,829</u>	<u>5,163,682</u>	<u>(5,678,742)</u>	<u>23,582,769</u>	<u>5,604,939</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$5,468,955 at September 30, 2015, will be paid in future years from the General Fund.

Claims and Judgments

The City's self-insurance contingencies are described in Note 11. This liability, amounting to \$8,131,222 at September 30, 2015, will be paid in future years from the internal service funds.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(7) Noncurrent Liabilities (Continued)

Capital Lease – Parking Structure

During fiscal year 2003-04, the City entered into a capital lease agreement with 612 Twin Holdings, LLC to acquire a two story, three level parking structure and certain retail space. The terms of the lease include an initial payment of \$1,100,000, monthly lease payments of \$16,167 with an imputed interest rate of 6.80% for 408 months, and a purchase option for \$200,000 due on January 1, 2039. The capital asset acquired had a present value of \$3,688,222 (\$1,659,700 and \$2,028,522 for the building structure and the land, respectively) with an annual depreciation of \$33,194. The outstanding balance of the capital lease liability at September 30, 2015, is \$2,263,002 and the debt service to maturity is as follows:

<u>Year Ending September 30</u>	<u>Parking Structure – Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 41,390	152,610
2017	44,294	149,706
2018	47,402	146,598
2019	50,727	143,273
2020	54,286	139,714
2021-2025	334,197	635,804
2026-2030	469,078	500,922
2031-2035	658,398	311,602
2036-2038	563,230	59,106
Total	\$2,263,002	2,239,335

Facility Lease – Douglas Street Gap Closure

On September 1, 2005, the City entered into a facility lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10,000,000 to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting on February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year. Base rental payments will be mailed to the City reflecting the actual amount owed prior to each base rental payment due date. The outstanding balance of the Facility Lease at September 30, 2015, is \$7,719,590 and the debt service to maturity is as follows:

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(7) Noncurrent Liabilities (Continued)

<u>Year Ending September 30</u>	<u>Facility Lease – Douglas Street Gap Closure</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 291,109	221,552
2017	299,464	213,197
2018	308,059	204,603
2019	316,900	195,762
2020	325,995	186,666
2021-2025	1,775,802	787,504
2065-2030	2,045,683	517,624
2031-2035	<u>2,356,579</u>	<u>206,728</u>
Total	<u>\$7,719,590</u>	<u>2,533,636</u>

Business-Type Activities

The following is a summary of changes in business-type activities long-term debt of the City for the year ended September 30, 2015:

	<u>Balance at October 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30, 2015</u>	<u>Due within one year</u>
Compensated absences	<u>\$ 271,680</u>	<u>128,049</u>	<u>(155,213)</u>	<u>244,516</u>	<u>165,634</u>
Total	<u>\$ 271,680</u>	<u>128,049</u>	<u>(155,213)</u>	<u>244,516</u>	<u>165,634</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability, amounting to \$244,516 at September 30, 2015, will be paid in future years from the Water Fund.

(8) Pension Plan

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans 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.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

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. The Plans' provisions and benefits in effect at September 30, 2015, are summarized as follows:

	Miscellaneous		
	Prior to January 1, 2013	On or after January 1, 2013 - Classic Member	On or after January 1, 2013 - New Member
Hire date			
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.1% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates	17.73%	17.73%	17.73%

	Safety - Police/Fire		
	Prior to October 6, 2012	On or after October 6, 2012 - Classic Member	On or after January 1, 2013 - New Member
Hire date			
Benefit formula	3% @ 50/55	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%	12%
Required employer contribution rates	46.60%	46.60%	46.60%

Employees Covered: As of June 30, 2014, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Active members not yet receiving benefits	171	106
Transferred members not yet receiving benefits	133	39
Terminated members not yet receiving benefits	145	18
Retired members and beneficiaries	302	208
Total	<u>751</u>	<u>371</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Actuarial Methods and Assumptions used to determine Total Pension Liability

For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses: includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all funds

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. 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 appropriate 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. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014. These rates of return are net of administrative expenses.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

¹An expected inflation of 2.5% used for this period

²An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

The plan fiduciary net position (assets) disclosed in the City's GASB 68 accounting valuation report may differ from the plan assets reported in the City's actuarial valuation report due to several reasons. First, CalPERS must keep Reserves for Deficiencies and Fiduciary Self Insurance. These amounts are excluded for rate setting purposes in the City's actuarial valuation report while required to be included for GASB reporting purposes. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

	Miscellaneous		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2014 (VD)	\$ 100,891,074	77,599,864	23,291,210
Changes Recognized for the Measurement Period:			
Service Cost	1,892,820	-	1,892,820
Interest on the Total Pension Liability	7,355,288	-	7,355,288
Changes of Assumptions	(1,728,307)	-	(1,728,307)
Differences between Expected and Actual Experience	(1,400,892)	-	(1,400,892)
Plan to Plan Resource Movement	-	161,952	(161,952)
Contributions from the Employer	-	1,990,762	(1,990,762)
Contributions from Employees	-	883,340	(883,340)
Investment Income	-	1,743,059	(1,743,059)
Administrative Expense	-	(86,704)	86,704
Benefit Payments, including Refunds of Employee Contributions	(5,121,477)	(5,121,477)	-
Net Changes during 2014-15	997,432	(429,068)	1,426,500
Balance at: 6/30/2015 (MD)	\$ 101,888,506	77,170,796	24,717,710

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

Changes in Net Pension Liability (Continued)

	Safety		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2014 (VD)	\$ 249,054,123	166,680,907	82,373,216
Changes Recognized for the Measurement Period:			
Service Cost	4,017,009	-	4,017,009
Interest on the Total Pension Liability	18,050,364	-	18,050,364
Changes of Assumptions	(4,336,187)	-	(4,336,187)
Differences between Expected and Actual Experience	(4,610,542)	-	(4,610,542)
Plan to Plan Resource Movement	-	568	(568)
Contributions from the Employer	-	6,155,214	(6,155,214)
Contributions from Employees	-	1,697,612	(1,697,612)
Investment Income	-	3,716,152	(3,716,152)
Administrative Expense	-	(186,524)	186,524
Benefit Payments, including Refunds of Employee Contributions	(12,326,846)	(12,326,846)	-
Net Changes during 2014-15	793,798	(943,824)	1,737,622
Balance at: 6/30/2015 (MD)	\$ 249,847,921	165,737,083	84,110,838

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

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Plan's Net Pension Liability - Miscellaneous	\$37,751,243	\$24,717,770	\$13,889,697
Plan's Net Pension Liability - Safety	\$116,862,634	\$84,110,838	\$57,093,674

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows and deferred outflows to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the June 30, 2015 measurement date was 2.3 years for Miscellaneous and 3.0 years for Safety, which was obtained by dividing the total service years of 1,739 for Miscellaneous and 1,098 for Safety (the sum of remaining service lifetimes of the active employees) by 751 for Miscellaneous and 371 for Safety (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

At the start of the measurement period (July 1, 2014), the Plans' combined net pension liability is \$105,664,426.

For the measurement period ending June 30, 2015 (the measurement date), the City of El Segundo incurred a pension expense of \$20,426,188 for the combined Plans.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(8) Pension Plan (Continued)

As of September 30, 2015, the City of El Segundo reports other amounts for the combined Plans as deferred outflow and deferred inflow of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,211,442	-
Differences between Expected and Actual Experience	-	(3,865,504)
Changes of Assumptions	-	(3,867,660)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	10,344,138	(12,575,475)
Total	\$ 12,555,580	(20,308,639)

The \$2,211,442 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measure Period Ended <u>June 30:</u>	Deferred (Inflows) <u>of Resources</u>
2016	\$ (5,948,554)
2017	(4,996,190)
2018	(1,605,793)
2019	2,586,036
2020	-
Thereafter	-

(9) Post-Employment Health Insurance

Plan Description

The City provides postretirement medical benefits to employees under a single-employer plan who retire directly from the City under CalPERS, with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premium for the medical plan selected by the retiree.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(9) **Post-Employment Health Insurance (Continued)**

Plan Description (Continued)

Benefit provisions for CalPERS are established and amended through negotiations between the city and the respective unions. The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plans at the following address or telephone number:

CalPERS Member Services Division
P.O. Box 942704
Sacramento, CA 94229-2704
1-888-225-7377

Funding Policy and Annual OPEB Cost

Contribution requirements of the plan members and the City are established and may be amended by the City Council. The City's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year and the related information for each plan are as follows:

	<u>Retiree Healthcare Plan</u>
Contribution rates:	
City, actuarially determined	14.1%
Plan members	n/a

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(9) Post-Employment Health Insurance (Continued)

	<u>Retiree Healthcare Plan</u>
Annual required contribution	\$3,924,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	3,924,000
Contributions made	<u>(3,924,000)</u>
Increase in net OPEB obligation	-
Net OPEB obligation – beginning of year	<u>-</u>
Net OPEB obligation – end of year	<u>\$ -</u>

Contributions from the City have been transferred to an irrevocable trust administered by CalPERS on behalf of the City in which the plan assets held by the trust have been dedicated solely to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer or the plan administrator. Accordingly, City contributions to this trust have been accounted for as reductions of the City's liability for its net OPEB obligation.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years for the Municipal Retired Employees Healthcare Plan were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/13	\$3,946,000	100%	\$ -
9/30/14	4,075,000	100%	-
9/30/15	3,924,000	100%	-

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(9) Post-Employment Health Insurance (Continued)

Funded Status and Funding Progress

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<i>Required Supplementary Information</i>						
<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age*</u>	<u>Unfunded Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
6/30/10	\$5,212,000	46,310,000	41,098,000	11.2%	27,695,000	148.4%
6/30/11	9,594,000	49,928,000	40,334,000	19.2%	28,595,000	141.1%
6/30/13	10,903,000	53,033,000	42,130,000	20.6%	26,761,000	157.4%

* The aggregate actuarial cost method is used for funding purposes. However, because this method does not identify or separately amortize unfunded actuarial liabilities, the entry age actuarial cost method has been used to provide required information about funded status and funding progress. The information presented in this schedule is intended to approximate the funding progress of the plan based on the use of the aggregate actuarial cost method.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	June 30, 2013
Actuarial method	Actuarial cost method
Remaining amortization period (open)	30 years
Asset valuation method	Biennial

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(9) **Post-Employment Health Insurance (Continued)**

Actuarial Methods and Assumptions (Continued)

Actuarial assumptions:

Investment rate of return*	7.50%‡
Projected salary increases*	3.25%
Healthcare inflation rate*	12% initial 5% ultimate

* Includes an inflation assumption of 3.0%.

‡ Determined as a blended rate of the expected long-term investment returns of plan assets based on the funded level of the plan at the valuation date.

(10) **Supplemental Retirement Plan**

On September 1, 2008, the City approved the establishment of a Retirement Enhancement Plan (the "Plan") for eligible employees of the Supervisory and Professional Employees' Association of the City, effective October 1, 2008. The Plan provides a supplemental retirement benefit in addition to the employees' current CalPERS retirement plan. The Plan is a single-employer defined benefit plan. The Plan will provide for 0.5% at age 55 for employees who retire from the City under CalPERS on or after September 30, 2008 and have 15 years of continuous City service.

The City's Finance Director is the Plan Administrator, and is responsible for taking the necessary actions to implement and administer the Plan in compliance with the Plan Document and applicable legal requirements. Public Agency Retirement Services (PARS) is the Trust Administrator and is responsible for Plan accounting, coordinating benefit distributions with the Trustee, and communicating Plan provisions. Union Bank of California is the Trustee and is responsible for receiving and investing Plan contributions, safeguarding Plan assets, and distributing benefits to eligible Plan participants or beneficiaries at the direction of the Plan Administrator and pursuant to the Plan Document.

The amounts of the benefit payments are calculated by the Trust Administrator and all accounting and reporting functions are performed by the Trust Administrator. Plan assets are considered to be held by the third party administrator on behalf of the employees and are therefore excluded from the accompanying financial statements. The City's responsibilities for this Plan are not sufficient administrative involvement to constitute a "holding of assets" by the City in a pension trust fund. The year ended September 30, 2009, was the first year of the Plan.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(10) **Supplemental Retirement Plan (Continued)**

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the Trust Administrator at the following address or telephone number:

Public Agency Retirement Services, PARS Trust Administrator
PO Box 12919
Newport Beach, CA 92658-2919
(800) 540-6369

Contribution Description

The City's funding policy is to make the contribution as determined by the Plan's actuary. The Plan's annual pension cost for the fiscal year ending September 30, 2015, is based on an actuarial valuation as of June 30, 2014. For the fiscal year ending September 30, 2015, the City's annual pension cost was \$70,000 and the City did not make any contributions to the Plan.

Valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Actuarial assumptions:	
Investment rate of return	5.75% for funding purposes
Retirement age	Age 55
Cost of living adjustment	2%

Actuarial Methods

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) method. The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants. The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence benefits.

Plan funded status based on the excess of Actuarial Accrued Liability over Plan assets. Actuarial assets are not less than 80% nor more than 120% of market value. This is due to investment gains/losses being spread over a 5 year rolling period.

Discount Rate

The discount rate used to measure the total pension liability was 6.25 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the actuary 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

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(10) Supplemental Retirement Plan (Continued)

plans run out of assets. Therefore, the current 6.25 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 6.25 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 30 basis points. An investment return excluding administrative expenses would have been 5.78 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability.

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 9/30/13	\$1,880,000	\$699,000	\$1,181,000
Changes for the year:			
Service Cost	54,000	-	54,000
Interest	110,000	-	110,000
Differences between actual and expected experience	-	-	-
Contributions – employer	-	-	-
Contributions – employee	-	193,000	(193,000)
Net investment income	-	52,000	(52,000)
Benefit payments including refunds	(37,000)	(37,000)	-
Administrative expenses	-	(5,000)	(5,000)
Net Changes	\$127,000	\$203,000	\$(76,000)
Balance at: 9/30/14	\$2,007,000	\$902,000	\$1,105,000

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.25 percent) or 1 percentage-point higher (7.25 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
Net Pension Liability	\$ 1,421,000	\$ 1,105,000	\$ 850,000

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(10) Supplemental Retirement Plan (Continued)

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

As of the start of the measurement period (September 30, 2013), the NPL is \$1,181,000. For the measurement period ending June 30, 2014 (the measurement date), the City recognized pension expense of \$70,000 for the year ending September 30, 2014.

As of September 30, 2014, the City reports other amounts for the Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan Investments	-	6,000
Employer contributions made subsequent to the measurement date	-	-
Total	\$ -	\$ 6,000

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

Measurement period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	\$(2,000)
2017	(2,000)
2018	(2,000)
2019	-
2020	-

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(11) Summary Disclosure of Self-Insurance Contingencies

The City adopted a self-insured workers' compensation program, which is administered by a service agent. The City is self-insured for the first \$350,000 on each claim. The insurance coverage in excess of the self-insured amount is provided by the Independent Cities Risk Management Authority (ICRMA) up to up to statutory limits for workers compensation claims.

Also, the City is self-insured for the first \$750,000 on each general liability claim against the City. The insurance coverage in excess of the self-insured amount is provided by ICRMA up to a limit of \$30,000,000.

Effective July 17, 1990, the City became a member of ICRMA, a joint powers authority of 24 participating members, for the purpose of pooling the City's risk for general liability and workers' compensation losses with those of other member cities. The Governing Board of ICRMA is comprised of one elected official or alternate from each member city, selected by each member city's City Council. Each governing Board member has one vote regarding all financial and management issues coming before the governing Board.

At September 30, 2015, \$7,110,956 is shown as a liability in the Workers' Compensation Fund for workers' compensation claims, and \$1,020,266 is shown as a liability in the Liability Insurance Fund for general liability claims. While the ultimate amount of loss incurred through September 30, 2015 is dependent on future developments, based upon information from the service agent and others involved with the administration of the programs, management believes that these amounts are adequate to cover such losses. Settlement amounts have not exceeded insurance coverage for each of the past three years.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(11) Summary Disclosure of Self-Insurance Contingencies (Continued)

Changes in liability claims for the years ended September 30, 2014 and September 30, 2015 were as follows:

	Workers' Compensation Fund	Liability Insurance Fund	<u>Total</u>
Balance, October 1, 2013	\$ 7,136,421	1,565,412	8,701,833
Claim payments	(1,153,583)	(368,640)	(1,522,223)
Current year claims and changes in estimate	<u>(41,325)</u>	<u>(139,792)</u>	<u>(181,117)</u>
Balance, September 30, 2014	5,941,513	1,056,980	6,998,492
Claim payments	(1,240,512)	(303,031)	(1,543,543)
Current year claims and changes in estimate	<u>2,409,955</u>	<u>266,317</u>	<u>2,676,272</u>
Balance, September 30, 2015	<u>\$7,110,956</u>	<u>1,020,266</u>	<u>8,131,222</u>

(12) Risk Management – ICRMA

As described in Note 11, the City is a member of the ICRMA. ICRMA furnishes the City of El Segundo excess liability coverage, providing \$30 million and up to statutory limits above the City's \$750,000 and \$350,000 self-insured retention (SIR) for general liability and workers' compensation, respectively.

The City is responsible for the SIR and reports directly for claims occurring in that layer. As of June 30, 2015, ICRMA has claim reserves of \$27,877,324 or claims that may ultimately result in losses. As of this date, the ultimate outcome of these claims has not been determined and it is unlikely that they will be resolved in the next year. The Incurred But Not Reported (IBNR) claims reserve as of June 30, 2015 was \$28,012,611.

As of June 30, 2015, ICRMA's summary financial information is as follows:

Assets	<u>\$ 65,536,347</u>
Liabilities	\$ 56,767,356
Net position	<u>8,768,991</u>
Total liabilities and net position	<u>\$ 65,536,347</u>
Operating revenues	\$ 23,080,193
Operating expenses	<u>(45,571,647)</u>
Operating income (loss)	(22,491,454)
Non-operating revenues	<u>718,719</u>
Changes in net position	<u>\$(21,772,735)</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(13) Joint Venture

The City of El Segundo is a member of the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. L.A. Impact was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from asset seizures based on their respective resource contribution to the effort. The City does not have a measurable equity interest in LA IMPACT. The net position of LA IMPACT represents a temporary holding of funds to be distributed to various law enforcement jurisdictions. The distribution of these funds is not determinable until action has been taken by the courts or the LA IMPACT board of directors with respect to the use of these funds.

L.A. IMPACT's latest summary financial information as of June 30, 2015 is as follows:

Assets	\$ 14,041,248
Liabilities	<u>(2,970,144)</u>
Net position	<u>\$ 11,071,104</u>
Program revenues	15,446,914
Program expenses	(11,205,659)
Other revenue	44,283
Investment income	<u>8,947</u>
Changes in net position	<u>\$ 4,294,485</u>

Complete financial statements for L.A. IMPACT may be obtained at its administrative office:

L.A. IMPACT
5700 South Eastern Avenue
Commerce, CA 90040-2924

(14) Contingent Liabilities

Litigation

The City is involved in pending lawsuits of a nature common to many similar jurisdictions. City management estimates that the potential claims against the City, not covered by insurance resulting from such litigation, would not materially affect the basic financial statements of the City.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(14) **Contingent Liabilities (Continued)**

Other Matters

The City is currently in discussions with California Public Employees Retirement System ("PERS") regarding the inclusion of certain additional pay in calculating retirement compensation. The City could face claims from employees and/or PERS regarding this practice.

The City has received grievances from individuals and bargaining groups relating to the City staff's past practice, in some cases, of adding the employee's portion of the members contribution for the PERS retirement benefit ("EPMC") to leave payouts (vacation, sick, and retirement payouts). The City is still reviewing this issue but this could pose a potentially significant liability to the City.

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(15) Fund Balances

Nonspendable, restricted, assigned, and unassigned fund balances at September 30, 2015 were as follows:

	<u>General Fund</u>	<u>Residential Sound Insulation Fund</u>	<u>LAWA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Advances to other funds	\$ 1,762,421	-	-	-	1,762,421
Inventory	89,501	-	-	-	89,501
Loans receivables	66,317	-	-	54,405	120,722
Prepays	<u>657,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657,258</u>
Total nonspendable	<u>2,575,497</u>	<u>-</u>	<u>-</u>	<u>54,405</u>	<u>2,629,902</u>
Restricted for:					
Police	-	-	-	211,865	211,865
Fire	-	-	-	43,533	43,533
Public works	-	-	-	2,813,635	2,813,635
Community and cultural	<u>-</u>	<u>-</u>	141,776	<u>1,894,731</u>	<u>2,036,507</u>
Total restricted	<u>-</u>	<u>-</u>	<u>141,776</u>	<u>4,963,764</u>	<u>5,105,540</u>
Assigned to:					
Police	146,424	-	-	-	146,424
Fire	391,772	-	-	-	391,772
Public works	255,841	-	-	-	255,841
Economic development	1,549,184	-	-	-	1,549,184
Parks and recreation	254,700	-	-	-	254,700
Library	18,578	-	-	-	18,578
Computer refresh	145,974	-	-	-	145,974
Encumbrances	565,972	-	-	-	565,972
Continuing appropriations	49,620	-	-	-	49,620
Debt service	-	-	-	1,782,333	1,782,333
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,249,063</u>	<u>3,249,063</u>
Total assigned	<u>3,378,065</u>	<u>-</u>	<u>-</u>	<u>5,031,396</u>	<u>8,409,461</u>
Unassigned	<u>14,338,564</u>	<u>(6,420,620)</u>	<u>-</u>	<u>(90,788)</u>	<u>7,827,156</u>
Total fund balance	<u>\$20,292,126</u>	<u>(6,420,620)</u>	<u>141,776</u>	<u>9,958,777</u>	<u>23,972,059</u>

CITY OF EL SEGUNDO

Notes to Basic Financial Statements

(Continued)

(16) Restatement of Net Position/Fund Balance

The following schedule summarize the effects of the prior period adjustment and major fund reclassifications to the Fund Financial Statements and Government-wide Statements for Governmental-Type Activities:

	Governmental Type Activities	General Fund	RSI Fund	LAWA Fund	CDBG Fund	Worker's Comp Fund	General Liability Fund
As previously reported	\$ 123,759,725	20,332,021	(1,481,160)	2,697,458	(20,294)	1,735,604	(7,037)
a) GASB 68 Implementation	(104,330,523)	(980,019)	-	-	-	(103,172)	(115,441)
b) Prior Revenue Overstatement	(93,216)	-	(147,621)	-	54,405	-	-
c) Prior Year Unearned Revenue Adjustment	(2,591,276)	-	-	(2,591,276)	-	-	-
As restated	<u>\$ 16,744,710</u>	<u>19,352,002</u>	<u>(1,628,781)</u>	<u>106,182</u>	<u>34,111</u>	<u>1,632,432</u>	<u>(122,478)</u>

- a) During the fiscal year ended September 30, 2015 the City implemented GASB No. 68. As part of the implementation of this accounting standard, net position as of September 30, 2014 was restated.
- b) During the year ended September 30, 2015, the City identified certain revenues that were not properly recognized in the correct fiscal year.
- c) During the year ended September 30, 2015, the City identified certain unearned revenues that were misstated in the previous fiscal year.

The following schedule summarize the effects of the prior period adjustment and major fund reclassifications to the Fund Financial Statements and Government-wide Statements for Business-Type Activities:

	Business Type Activities	Water Fund	Sewer Fund
As previously reported	\$ 33,424,255	13,499,197	14,201,331
a) GASB 68 Implementation	(3,333,820)	(2,035,062)	(1,298,758)
b) Capital Assets Adjustment	439,333	439,333	-
As restated	<u>\$ 30,529,768</u>	<u>11,903,468</u>	<u>12,902,573</u>

- a) During the fiscal year ended September 30, 2015 the City implemented GASB No. 68. As part of the implementation of this accounting standard, net position as of September 30, 2014 was restated.
- b) During the year ended September 30, 2015, the City identified infrastructure assets owned by the City that were not previously recorded.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EL SEGUNDO

General Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, October 1	\$ 19,352,002	19,352,002	19,352,002	-
Resources (inflows):				
Taxes	41,071,600	41,046,600	42,103,363	1,056,763
Licenses and permits	12,838,000	12,838,000	12,973,204	135,204
Intergovernmental	-	-	10,931	10,931
Charges for services	4,720,500	5,904,400	6,196,402	292,002
Use of money and property	267,000	247,800	528,644	280,844
Fines and forfeitures	318,600	318,600	494,557	175,957
Developer fees	-	-	432,810	432,810
Miscellaneous	352,000	791,700	1,044,122	252,422
Transfers in	400,000	1,700,000	-	(1,700,000)
Amounts available for appropriation	<u>79,319,702</u>	<u>82,199,102</u>	<u>83,136,035</u>	<u>936,933</u>
Charges to appropriation (outflows):				
General government:				
City Council	271,300	271,282	251,137	20,145
City Treasurer	404,000	313,319	295,629	17,690
City Clerk	340,700	346,390	284,376	62,014
City Manager	1,418,300	2,256,844	1,889,425	367,419
City Attorney	449,000	531,950	531,391	559
Planning	1,773,600	1,582,037	1,168,888	413,149
Building Safety	1,223,100	1,626,158	1,414,587	211,571
Administrative Services	2,589,700	2,717,165	2,612,174	104,991
Non-departmental	4,242,800	6,083,050	6,033,524	49,526
Interfund reimbursements	(675,000)	(675,000)	(660,792)	(14,208)
Public safety:				
Police	17,734,600	17,866,344	17,612,156	254,188
Fire	14,160,100	14,200,364	13,952,734	247,630
Animal Control	265,000	265,044	134,219	130,825
Communication Center	1,398,300	1,398,300	1,366,531	31,769
Public works:				
Administration	180,200	180,165	154,219	25,946
Government Buildings	1,640,800	2,035,374	1,649,765	385,609
Engineering	352,700	405,807	314,300	91,507
Streets	1,769,500	1,810,966	1,606,844	204,122
Solid Waste	583,700	589,178	573,292	15,886
Storm Drain	302,500	359,773	220,569	139,204
Equipment Maintenance	1,096,200	1,096,255	1,054,116	42,139
Community and cultural:				
Recreation and Parks	5,082,200	5,100,437	4,848,468	251,969
Library	2,188,400	2,199,109	2,046,845	152,264
Capital outlay	-	13,100	13,100	-
Transfers out	4,576,400	3,746,396	3,476,412	269,984
Total charges to appropriations	<u>63,368,100</u>	<u>66,319,807</u>	<u>62,843,909</u>	<u>3,475,898</u>
Budgetary fund balance, September 30	\$ <u>15,951,602</u>	<u>15,879,295</u>	<u>20,292,126</u>	<u>4,412,831</u>

See accompanying notes to required supplementary information.

CITY OF EL SEGUNDO
Major Special Revenue Fund

Residential Sound Insulation Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance (deficit), October 1	\$ (1,628,781)	(1,628,781)	(1,628,781)	-
Resources (inflows):				
Intergovernmental	7,000,000	7,000,000	284,495	(6,715,505)
Charges for services	-	5,000	1,150	(3,850)
Use of money and property	100	-	-	-
Miscellaneous	5,000	150	460	310
Transfers in	<u>11,017,900</u>	<u>11,017,900</u>	<u>6,862,428</u>	<u>(4,155,472)</u>
Amounts available for appropriation	<u>16,394,219</u>	<u>16,394,269</u>	<u>5,519,752</u>	<u>(10,874,517)</u>
Charges to appropriation (outflows):				
Community and cultural	<u>29,511,700</u>	<u>31,047,685</u>	<u>11,940,372</u>	<u>19,107,313</u>
Total charges to appropriations	<u>29,511,700</u>	<u>31,047,685</u>	<u>11,940,372</u>	<u>19,107,313</u>
Budgetary fund balance (deficit), September 30	<u>\$ (13,117,481)</u>	<u>(14,653,416)</u>	<u>(6,420,620)</u>	<u>8,232,796</u>

See accompanying notes to required supplementary information.

CITY OF EL SEGUNDO
Major Special Revenue Fund

LAWA Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Budgetary fund balance, October 1	\$ 106,182	106,182	106,182	-
Resources (inflows):				
Intergovernmental	11,175,000	11,175,000	6,862,428	(4,312,572)
Use of money and property	<u>32,000</u>	<u>32,000</u>	<u>53,596</u>	<u>21,596</u>
Amounts available for appropriation	<u>11,313,182</u>	<u>11,313,182</u>	<u>7,022,206</u>	<u>(4,290,976)</u>
Charges to appropriation (outflows):				
General government	-	-	18,002	(18,002)
Transfer out	<u>11,017,900</u>	<u>11,017,900</u>	<u>6,862,428</u>	<u>4,155,472</u>
Total charges to appropriations	<u>11,017,900</u>	<u>11,017,900</u>	<u>6,880,430</u>	<u>4,137,470</u>
Budgetary fund balance (deficit), September 30	<u>\$ 295,282</u>	<u>295,282</u>	<u>141,776</u>	<u>(153,506)</u>

See accompanying notes to required supplementary information.

CITY OF EL SEGUNDO
Schedule of Changes in Net Pension Liability and Related Ratios

for the Measurement Period (Miscellaneous Plan)

Year ended September 30, 2015

(With comparative information for the last 10 years)*

Measurement Period:	Fiscal Year 2014-15	Fiscal Year 2013-14
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,892,820	\$ 1,992,358
Interest	7,355,288	7,137,756
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	(1,400,892)	-
Changes of Assumptions	(1,728,307)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,121,477)	(4,825,880)
Net Change in Total Pension Liability	997,432	4,304,234
Total Pension Liability – Beginning	100,891,074	96,586,840
Total Pension Liability – Ending (a)	101,888,506	100,891,074
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	1,990,762	2,229,759
Contributions – Employee	883,340	1,271,008
Investment Income	1,743,059	11,605,717
Administrative Expense	(86,704)	-
Plan to Plan Resource Movement	161,952	-
Benefit Payments, Including Refunds of Employee Contributions	(5,121,477)	(4,825,880)
Net Change in Fiduciary Net Position	(429,068)	10,280,604
Plan Fiduciary Net Position – Beginning	77,599,864	67,319,260
Plan Fiduciary Net Position – Ending (b)	77,170,796	77,599,864
Plan Net Pension Liability – Ending (a) - (b)	\$ 24,717,710	\$ 23,291,210
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	76.91%
Covered-Employee Payroll	13,129,083	13,163,041
Plan Net Pension Liability as a Percentage of Covered-Employee Payroll	188.27%	176.94%

Notes to Schedule

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014.

Changes in Assumptions: There were no changes in assumptions

*The fiscal year ended September 30, 2015 was the first year of implementation. Information for the last 10 years is not available.

CITY OF EL SEGUNDO
Schedule of Changes in Net Pension Liability and Related Ratios

for the Measurement Period (Safety Plan)

Year ended September 30, 2015

(With comparative information for the last 10 years)*

Measurement Period:	2014-15	2013-14
TOTAL PENSION LIABILITY		
Service Cost	\$ 4,017,009	\$ 4,084,900
Interest	18,050,364	17,643,395
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	(4,610,542)	-
Changes of Assumptions	(4,336,187)	-
Benefit Payments, Including Refunds of Employee Contributions	(12,326,846)	(11,753,968)
Net Change in Total Pension Liability	793,798	9,974,327
Total Pension Liability – Beginning	249,054,123	239,079,796
Total Pension Liability – Ending (a)	249,847,921	249,054,123
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	6,155,214	5,466,181
Contributions – Employee	1,697,612	1,556,189
Investment Income	3,716,152	25,110,451
Administrative Expense	(186,524)	-
Plan to Plan Resource Movement	568	-
Benefit Payments, Including Refunds of Employee Contributions	(12,326,846)	(11,753,968)
Net Change in Fiduciary Net Position	(943,824)	20,378,853
Plan Fiduciary Net Position – Beginning	166,680,907	146,302,054
Plan Fiduciary Net Position – Ending (b)	165,737,083	166,680,907
Plan Net Pension Liability – Ending (a) - (b)	\$ 84,110,838	\$ 82,373,216
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.34%	66.93%
Covered-Employee Payroll	14,977,101	14,757,054
Plan Net Pension Liability as a Percentage of Covered-Employee Payroll	561.60%	558.20%

Notes to Schedule

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014.

Changes in Assumptions: There were no changes in assumptions

*The fiscal year ended September 30, 2015 was the first year of implementation. Information for the last 10 years is not available.

CITY OF EL SEGUNDO
Schedule of Changes in Net Pension Liability and Related Ratios

for the Measurement Period (Supplemental Pension Plan)

Year ended September 30, 2015

(With comparative information for the last 10 years)*

Measurement Period:	2013-14
TOTAL PENSION LIABILITY	
Service Cost	\$ 54,000
Interest	110,000
Changes of Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(37,000)
Net Change in Total Pension Liability	127,000
Total Pension Liability – Beginning	1,880,000
Total Pension Liability – Ending (a)	2,007,000
PLAN FIDUCIARY NET POSITION	
Contributions – Employer	-
Contributions – Employee	193,000
Investment Income	52,000
Administrative Expense	(5,000)
Plan to Plan Resource Movement	-
Benefit Payments, Including Refunds of Employee Contributions	(37,000)
Net Change in Fiduciary Net Position	203,000
Plan Fiduciary Net Position – Beginning	699,000
Plan Fiduciary Net Position – Ending (b)	902,000
Plan Net Pension Liability – Ending (a) - (b)	\$ 1,105,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.94%
Covered-Employee Payroll	N/A
Plan Net Pension Liability as a Percentage of Covered-Employee Payroll	N/A

Notes to Schedule

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014.

Changes in Assumptions: There were no changes in assumptions

*The fiscal year ended September 30, 2015 was the first year of implementation. Information for the last 10 years is not available.

CITY OF EL SEGUNDO
Schedule of Plan Contributions (Miscellaneous Plan)

Year ended September 30, 2015

(With comparative information for the last 10 years)*

	Fiscal Year 2014-15	Fiscal Year 2013-14
Actuarially Determined Contribution	\$ 1,990,762	2,229,759
Contributions in Relation to the Actuarially Determined Contribution	<u>(1,990,762)</u>	<u>(2,229,759)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
Covered-Employee Payroll	13,129,083	13,163,041
Contributions as a Percentage of Covered-Employee Payroll	15.16%	16.94%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2015 were from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012, Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012, Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*The fiscal year ended September 30, 2015 was the first year of implementation. Information for the last 10 years is not available.

CITY OF EL SEGUNDO
Schedule of Plan Contributions (Safety Plan)

Year ended September 30, 2015

(With comparative information for the last 10 years)*

	Fiscal Year 2014-15	Fiscal Year 2013-14
Actuarially Determined Contribution	\$ 6,155,214	5,466,181
Contributions in Relation to the Actuarially Determined Contribution	<u>(6,155,214)</u>	<u>(5,466,181)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
Covered-Employee Payroll	14,977,101	14,757,054
Contributions as a Percentage of Covered-Employee Payroll	41.10%	37.04%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2015 were from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012, Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012, Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*The fiscal year ended September 30, 2015 was the first year of implementation. Information for the last 10 years is not available.

CITY OF EL SEGUNDO
 Schedule of Plan Contributions (Supplemental Pension Plan)

Year ended September 30, 2015

(With comparative information for the last 10 years)*

	Fiscal Year 2014-15
Actuarially Determined Contribution	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-
Contribution Deficiency (Excess)	\$ -
 Covered-Employee Payroll	N/A
 Contributions as a Percentage of Covered-Employee Payroll	N/A

Notes to Schedule:

Valuation Date	June 30, 2012 For 2013/14 and 14/15 FY contributions (10/1-9/30)
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Level % Payroll for eligible employees
Amortization Method/Period	Level dollar Plan closed to new hires after 10/1/12
Remaining Amortization Period	9/30/08 UAAL: 20 years beginning with 2008/09 (15 years at 2013/14)
Asset Valuation Method	Market value investment gains and losses spread over 5 years a rolling period Not less than 80% nor more than 120% of market value
Future New Entrants	Liability calculation: Closed group, no new hires
Inflation	3.00%
Cost of Living Adjustment	2.00%
Investment Rate of Return	6.25%
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*The fiscal year ended September 30, 2015 was the first year of implementation. Information for the last 10 years is not available.

CITY OF EL SEGUNDO

Notes to Required Supplementary Information

Year Ended September 30, 2015

(1) **Stewardship, Compliance and Accountability**

(a) General Budget Policies

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. Annual budgets are adopted for the General Fund, certain Special Revenue Funds, and the Capital Projects Funds.

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Budgets and adopted supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget changes are approved by the City Manager. The legal level of control, that is defined as the level at which City Council approval is required for changes, is at the department level for the General Fund and functional level for all other funds. During the year, several supplementary appropriations were necessary. All operating budget appropriations lapse at year-end.

(b) Excess of Expenditures over Appropriations

For the year ended September 30, 2015, expenditures exceeded appropriations in the interfund reimbursements department (the legal level of budgetary control) within the general government function of the General Fund by \$ \$14,208. Likewise, expenditures exceeded appropriation within the general government function of the LAWA Fund by \$18,002. It is the City's intention to seek authority from the City Council to realign the current year's budget to reflect priority changes in the goals and objectives of the City. This realignment did not take place in the current year budget; therefore, expenditures exceeded appropriations within the aforementioned funds.

ADDITIONAL FINANCIAL INFORMATION

CITY OF EL SEGUNDO

General Fund

Combining Balance Sheet

September 30, 2015

	<u>General</u>	<u>Economic Uncertainty Fund</u>	<u>Hyperion Mitigation Fund</u>
<u>Assets</u>			
Cash and investments	\$ 6,405,053	750,000	127,938
Receivables:			
Taxes	2,768,431	-	-
Accounts	840,740	-	-
Interest	89,448	-	-
Notes and loans	66,317	-	-
Due from other funds	8,571,862	-	-
Due from other governments	46,706	-	-
Advances to other funds	1,762,421	-	-
Inventories	89,501	-	-
Prepays	657,258	-	-
	<u>\$ 21,297,737</u>	<u>750,000</u>	<u>127,938</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 1,165,805	-	756
Accrued liabilities	1,654,363	-	-
Retentions payable	15	-	-
Due to other funds	-	-	-
Due to other governments	254,363	-	-
Unearned revenue	30,868	-	-
Deposits payable	548,920	-	-
	<u>3,654,334</u>	<u>-</u>	<u>756</u>
Deferred inflows of resources:			
Unavailable revenue	279,848	-	-
	<u>279,848</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	2,575,497	-	-
Assigned	1,881,928	-	-
Unassigned	12,906,130	750,000	127,182
	<u>17,363,555</u>	<u>750,000</u>	<u>127,182</u>
Total fund balances	<u>17,363,555</u>	<u>750,000</u>	<u>127,182</u>
Total liabilities and fund balances	<u>\$ 21,297,737</u>	<u>750,000</u>	<u>127,938</u>

Facilities Maintenance Fund	Project Deposits Fund	Total
592,159	1,561,432	9,436,582
-	-	2,768,431
-	-	840,740
-	-	89,448
-	-	66,317
-	-	8,571,862
-	-	46,706
-	-	1,762,421
-	-	89,501
-	-	657,258
<u>592,159</u>	<u>1,561,432</u>	<u>24,329,266</u>
20,138	3,013	1,189,712
-	-	1,654,363
316	-	331
-	13,512	13,512
-	-	254,363
-	-	30,868
-	65,223	614,143
<u>20,454</u>	<u>81,748</u>	<u>3,757,292</u>
-	-	279,848
-	-	279,848
-	-	2,575,497
16,453	1,479,684	3,378,065
<u>555,252</u>	-	<u>14,338,564</u>
<u>571,705</u>	<u>1,479,684</u>	<u>20,292,126</u>
<u>592,159</u>	<u>1,561,432</u>	<u>24,329,266</u>

CITY OF EL SEGUNDO

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2015

	<u>General</u>	<u>Economic Uncertainty Fund</u>	<u>Hyperion Mitigation Fund</u>
Revenues:			
Taxes	\$ 42,103,363	-	-
Licenses and permits	12,973,204	-	-
Intergovernmental	10,931	-	-
Charges for services	5,844,086	-	-
Use of money and property	527,040	-	1,604
Fines and forfeitures	494,557	-	-
Developer fees	432,810	-	-
Miscellaneous	1,704,914	-	-
Total revenues	<u>64,090,905</u>	<u>-</u>	<u>1,604</u>
Expenditures:			
Current:			
General government	14,381,971	-	-
Public safety	33,065,640	-	-
Public works	5,420,091	-	5,067
Community and cultural	6,895,313	-	-
Capital outlay	13,100	-	-
Total expenditures	<u>59,776,115</u>	<u>-</u>	<u>5,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,314,790</u>	<u>-</u>	<u>(3,463)</u>
Other financing sources (uses):			
Transfers in	-	750,000	-
Transfers out	<u>(4,576,416)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,576,416)</u>	<u>750,000</u>	<u>-</u>
Net change in fund balances	(261,626)	750,000	(3,463)
Fund balances at beginning of year	<u>17,625,181</u>	<u>-</u>	<u>130,645</u>
Fund balances at end of year	<u>\$ 17,363,555</u>	<u>750,000</u>	<u>127,182</u>

(1) Transfers within the group of funds that are consolidated to form the General Fund for purposes of the combined financial statements have been eliminated on this schedule.

<u>Facilities Maintenance Fund</u>	<u>Project Deposits Fund</u>	<u>Eliminations (1)</u>	<u>Total</u>
-	-	-	42,103,363
-	-	-	12,973,204
-	-	-	10,931
-	352,316	-	6,196,402
-	-	-	528,644
-	-	-	494,557
-	-	-	432,810
-	-	-	1,704,914
<u>-</u>	<u>352,316</u>	<u>-</u>	<u>64,444,825</u>
-	99,160	-	14,481,131
-	-	-	33,065,640
147,947	-	-	5,573,105
-	-	-	6,895,313
-	-	-	13,100
<u>147,947</u>	<u>99,160</u>	<u>-</u>	<u>60,028,289</u>
<u>(147,947)</u>	<u>253,156</u>	<u>-</u>	<u>4,416,536</u>
350,004	-	(1,100,004)	-
-	-	1,100,004	(3,476,412)
<u>350,004</u>	<u>-</u>	<u>-</u>	<u>(3,476,412)</u>
202,057	253,156	-	940,124
<u>369,648</u>	<u>1,226,528</u>	<u>-</u>	<u>19,352,002</u>
<u>571,705</u>	<u>1,479,684</u>	<u>-</u>	<u>20,292,126</u>

CITY OF EL SEGUNDO
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2015

	Special Revenue Funds			
	State Gas Tax Fund	Community Development Block Grant Fund	Asset Forfeiture Fund	Prop "A" Fund
<u>Assets</u>				
Cash and investments	\$ 1,126,807	-	-	412,837
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	54,405	-	-
Due from other governments	30,376	41,000	61,315	-
Total assets	\$ 1,157,183	95,405	61,315	412,837
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 25,121	10,569	1,282	6,261
Accrued liabilities	-	483	10,095	3,512
Retentions payable	-	2,050	-	-
Due to other funds	-	38,565	46,545	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total liabilities	25,121	51,667	57,922	9,773
Deferred inflows of resources:				
Unavailable revenue	-	2,050	-	-
Total deferred inflows of resources	-	2,050	-	-
Fund balances (deficit):				
Nonspendable	-	54,405	-	-
Restricted	1,132,062	-	3,393	403,064
Assigned	-	-	-	-
Unassigned	-	(12,717)	-	-
Total fund balances (deficit)	1,132,062	41,688	3,393	403,064
Total liabilities, deferred inflows of resources and fund balances	\$ 1,157,183	95,405	61,315	412,837

Special Revenue Funds

Prop "C" Fund	Traffic Safety Fund	Air Pollution Reduction Fund	SB 821 Bikeway Fund	C.O.P.S. Fund
575,038	-	40,654	58,642	163,566
-	-	-	-	-
-	-	-	-	-
-	3,409	-	925	14,618
<u>575,038</u>	<u>3,409</u>	<u>40,654</u>	<u>59,567</u>	<u>178,184</u>
1,767	-	-	-	10,123
1,403	-	-	-	-
2,795	-	-	-	-
-	8,684	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,965</u>	<u>8,684</u>	<u>-</u>	<u>-</u>	<u>10,123</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
569,073	-	40,654	59,567	168,061
-	-	-	-	-
-	(5,275)	-	-	-
<u>569,073</u>	<u>(5,275)</u>	<u>40,654</u>	<u>59,567</u>	<u>168,061</u>
<u>575,038</u>	<u>3,409</u>	<u>40,654</u>	<u>59,567</u>	<u>178,184</u>

(Continued)

CITY OF EL SEGUNDO
Nonmajor Governmental Funds
Combining Balance Sheet
(Continued)

	Special Revenue Funds			
	Special Revenues/ Donations Fund	MTA Grant Fund	Measure R	Federal Grants
<u>Assets</u>				
Cash and investments	1,964,318	243,458	617,431	2,249
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	17,609	-
Total assets	1,964,318	243,458	635,040	2,249
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	1,543	-	18,760	-
Accrued liabilities	316	-	-	-
Retentions payable	-	-	7,065	-
Due to other funds	-	-	-	-
Unearned revenue	-	243,458	-	6,891
Deposits payable	12,695	-	-	-
Total liabilities	14,554	243,458	25,825	6,891
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	1,949,764	-	609,215	-
Assigned	-	-	-	-
Unassigned	-	-	-	(4,642)
Total fund balances (deficit)	1,949,764	-	609,215	(4,642)
Total liabilities, deferred inflows of resources and fund balances	1,964,318	243,458	635,040	2,249

<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects</u>		
<u>State Grants</u>	<u>PSAF Property Tax Public Safety Fund</u>	<u>Facility Lease Fund</u>	<u>Capital Improvements Fund</u>		<u>Total</u>
15,177	24,579	1,782,333	3,485,313		10,512,402
-	4,332	-	-		4,332
-	-	-	-		54,405
46,400	-	-	338,219		553,871
<u>61,577</u>	<u>28,911</u>	<u>1,782,333</u>	<u>3,823,532</u>		<u>11,125,010</u>
436	-	-	101,521		177,383
6,005	-	-	-		21,814
-	-	-	69,420		81,330
-	-	-	-		93,794
62,916	-	-	72,434		385,699
-	-	-	-		12,695
<u>69,357</u>	<u>-</u>	<u>-</u>	<u>243,375</u>		<u>772,715</u>
<u>60,374</u>	<u>-</u>	<u>-</u>	<u>331,094</u>		<u>393,518</u>
<u>60,374</u>	<u>-</u>	<u>-</u>	<u>331,094</u>		<u>393,518</u>
-	-	-	-		54,405
-	28,911	-	-		4,963,764
-	-	1,782,333	3,249,063		5,031,396
(68,154)	-	-	-		(90,788)
<u>(68,154)</u>	<u>28,911</u>	<u>1,782,333</u>	<u>3,249,063</u>		<u>9,958,777</u>
<u>61,577</u>	<u>28,911</u>	<u>1,782,333</u>	<u>3,823,532</u>		<u>11,125,010</u>

CITY OF EL SEGUNDO
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2015

	Special Revenue Funds			
	State Gas Tax Fund	Community Development Block Grant Fund	Asset Forfeiture Fund	Prop "A" Fund
Revenues:				
Taxes	\$ -	-	-	-
Intergovernmental	450,933	50,659	-	303,131
Use of money and property	12,511	-	450	4,671
Fines and forfeitures	-	-	342,792	-
Miscellaneous	-	-	-	-
Total revenues	<u>463,444</u>	<u>50,659</u>	<u>343,242</u>	<u>307,802</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	500,106	-
Public works	1,013	-	-	-
Community and cultural	-	77,718	-	230,202
Capital outlay	402,100	41,768	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>403,113</u>	<u>119,486</u>	<u>500,106</u>	<u>230,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,331</u>	<u>(68,827)</u>	<u>(156,864)</u>	<u>77,600</u>
Other financing sources (uses):				
Transfers in	-	76,404	-	-
Total other financing sources (uses)	<u>-</u>	<u>76,404</u>	<u>-</u>	<u>-</u>
Net change in fund balances	60,331	7,577	(156,864)	77,600
Fund balances (deficit) at beginning of year	<u>1,071,731</u>	<u>34,111</u>	<u>160,257</u>	<u>325,464</u>
Fund balances (deficit) at end of year	<u>\$ 1,132,062</u>	<u>41,688</u>	<u>3,393</u>	<u>403,064</u>

Special Revenue Funds

Prop "C" Fund	Traffic Safety Fund	Air Pollution Reduction Fund	SB 821 Bikeway Fund	C.O.P.S. Fund
-	-	-	-	-
248,509	-	20,965	59,324	120,848
6,254	-	368	110	2,743
-	65,823	-	-	-
-	-	-	-	-
<u>254,763</u>	<u>65,823</u>	<u>21,333</u>	<u>59,434</u>	<u>123,591</u>
-	-	-	-	-
-	-	-	-	123,852
-	-	-	-	-
66,825	-	-	-	-
32,048	-	-	-	54,559
-	-	-	-	-
-	-	-	-	-
<u>98,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,411</u>
<u>155,890</u>	<u>65,823</u>	<u>21,333</u>	<u>59,434</u>	<u>(54,820)</u>
-	-	-	-	-
-	-	-	-	-
<u>155,890</u>	<u>65,823</u>	<u>21,333</u>	<u>59,434</u>	<u>(54,820)</u>
<u>413,183</u>	<u>(71,098)</u>	<u>19,321</u>	<u>133</u>	<u>222,881</u>
<u>569,073</u>	<u>(5,275)</u>	<u>40,654</u>	<u>59,567</u>	<u>168,061</u>

(Continued)

CITY OF EL SEGUNDO
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Special Revenue Funds			
	Special Revenues/ Donations Fund	MTA Grant Fund	Measure R	Federal Grants
Revenues:				
Taxes	-	-	-	-
Intergovernmental	-	-	186,596	-
Use of money and property	-	-	6,515	-
Fines and forfeitures	-	-	-	-
Miscellaneous	78,462	-	-	-
Total Revenues	<u>78,462</u>	<u>-</u>	<u>193,111</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	4,466	-	-	-
Public works	-	-	-	-
Community and cultural	64,443	-	-	-
Capital outlay	-	-	85,530	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>68,909</u>	<u>-</u>	<u>85,530</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,553</u>	<u>-</u>	<u>107,581</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,553	-	107,581	-
Fund balances (deficit) at beginning of year	<u>1,940,211</u>	<u>-</u>	<u>501,634</u>	<u>(4,642)</u>
Fund balances (deficit) at end of year	<u>1,949,764</u>	<u>-</u>	<u>609,215</u>	<u>(4,642)</u>

<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects</u>	
<u>State Grants</u>	<u>PSAF Property Tax Public Safety Fund</u>	<u>Facility Lease Fund</u>	<u>Capital Improvements Fund</u>	<u>Total</u>
-	28,911	-	-	28,911
154,002	-	-	167,020	1,761,987
-	-	-	-	33,622
-	-	-	-	408,615
-	-	1,176,496	-	1,254,958
<u>154,002</u>	<u>28,911</u>	<u>1,176,496</u>	<u>167,020</u>	<u>3,488,093</u>
-	-	24,008	-	24,008
-	-	-	-	628,424
-	-	-	-	1,013
248,690	-	-	-	687,878
-	-	-	391,928	1,007,933
-	-	282,987	-	282,987
-	-	229,674	-	229,674
<u>248,690</u>	<u>-</u>	<u>536,669</u>	<u>391,928</u>	<u>2,861,917</u>
<u>(94,688)</u>	<u>28,911</u>	<u>639,827</u>	<u>(224,908)</u>	<u>626,176</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,004</u>	<u>3,276,408</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,004</u>	<u>3,276,408</u>
(94,688)	28,911	639,827	2,975,096	3,902,584
<u>26,534</u>	<u>-</u>	<u>1,142,506</u>	<u>273,967</u>	<u>6,056,193</u>
<u>(68,154)</u>	<u>28,911</u>	<u>1,782,333</u>	<u>3,249,063</u>	<u>9,958,777</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

State Gas Tax Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 1,071,731	1,071,731	-
Resources (inflows):			
Intergovernmental	502,000	450,933	(51,067)
Use of money and property	4,650	12,511	7,861
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>1,578,381</u>	<u>1,535,175</u>	<u>(43,206)</u>
Charges to appropriation (outflows):			
Public works	-	1,013	(1,013)
Community and cultural	-	-	-
Capital outlay	850,056	402,100	447,956
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>850,056</u>	<u>403,113</u>	<u>446,943</u>
Budgetary fund balance, September 30	<u>\$ 728,325</u>	<u>1,132,062</u>	<u>403,737</u>

CITY OF EL SEGUNDO
Non-Major Special Revenue Fund

Community Development Block Grant Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 34,111	34,111	-
Resources (inflows):			
Intergovernmental	63,900	50,659	(13,241)
Transfer in	<u>76,400</u>	<u>76,404</u>	<u>4</u>
Amounts available for appropriation	<u>174,411</u>	<u>161,174</u>	<u>(13,237)</u>
Charges to appropriation (outflows):			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community and cultural	91,837	77,718	14,119
Capital outlay	<u>48,500</u>	<u>41,768</u>	<u>6,732</u>
Total charges to appropriations	<u>140,337</u>	<u>119,486</u>	<u>20,851</u>
Budgetary fund balance (deficit), September 30	<u>\$ 34,074</u>	<u>41,688</u>	<u>7,614</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

Asset Forfeiture Fund

Budgetary Comparison Schedule

Year Ended September 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 160,257	160,257	-
Resources (inflows):			
Use of money and property	650	450	(200)
Fines and forfeitures	250,000	342,792	92,792
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>410,907</u>	<u>503,499</u>	<u>92,592</u>
Charges to appropriation (outflows):			
Public safety	847,749	500,106	347,643
Capital outlay	<u>40,800</u>	<u>-</u>	<u>40,800</u>
Total charges to appropriations	<u>888,549</u>	<u>500,106</u>	<u>388,443</u>
Budgetary fund balance (deficit), September 30	<u>\$ (477,642)</u>	<u>3,393</u>	<u>481,035</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

Prop "A" Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 325,464	325,464	-
Resources (inflows):			
Intergovernmental	299,000	303,131	4,131
Charges for services	-	-	-
Use of money and property	2,000	4,671	2,671
Miscellaneous	-	-	-
Amounts available for appropriation	<u>626,464</u>	<u>633,266</u>	<u>6,802</u>
Charges to appropriation (outflows):			
Community and cultural	<u>292,277</u>	<u>230,202</u>	<u>62,075</u>
Total charges to appropriations	<u>292,277</u>	<u>230,202</u>	<u>62,075</u>
Budgetary fund balance, September 30	<u>\$ 334,187</u>	<u>403,064</u>	<u>68,877</u>

CITY OF EL SEGUNDO
Non-Major Special Revenue Fund

Prop "C" Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 413,183	413,183	-
Resources (inflows):			
Intergovernmental	244,000	248,509	4,509
Use of money and property	<u>1,500</u>	<u>6,254</u>	<u>4,754</u>
Amounts available for appropriation	<u>658,683</u>	<u>667,946</u>	<u>9,263</u>
Charges to appropriation (outflows):			
Community and cultural	116,640	66,825	49,815
Capital outlay	32,048	32,048	-
Transfer out	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total charges to appropriations	<u>268,688</u>	<u>98,873</u>	<u>169,815</u>
Budgetary fund balance, September 30	<u>\$ 389,995</u>	<u>569,073</u>	<u>179,078</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

Traffic Safety Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ (71,098)	(71,098)	-
Resources (inflows):			
Use of money and property	265	-	(265)
Fines and forfeitures	<u>130,000</u>	<u>65,823</u>	<u>(64,177)</u>
Amounts available for appropriation	<u>59,167</u>	<u>(5,275)</u>	<u>(64,442)</u>
Charges to appropriation (outflows):			
Transfer out	<u>200,000</u>	-	<u>200,000</u>
Total charges to appropriations	<u>200,000</u>	-	<u>200,000</u>
Budgetary fund balance (deficit), September 30	<u>\$ (140,833)</u>	<u>(5,275)</u>	<u>135,558</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

Air Pollution Reduction Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 19,321	19,321	-
Resources (inflows):			
Intergovernmental	20,000	20,965	965
Use of money and property	<u>50</u>	<u>368</u>	<u>318</u>
Amounts available for appropriation	<u>39,371</u>	<u>40,654</u>	<u>1,283</u>
Charges to appropriation (outflows):			
Community and cultural	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance, September 30	<u>\$ 39,371</u>	<u>40,654</u>	<u>1,283</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

SB 821 Bikeway Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 133	133	-
Resources (inflows):			
Intergovernmental	13,600	59,324	45,724
Use of money and property	<u>(10,670)</u>	<u>110</u>	<u>10,780</u>
Amounts available for appropriation	<u>3,063</u>	<u>59,567</u>	<u>56,504</u>
Charges to appropriation (outflows):			
Public works	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance, September 30	<u>\$ 3,063</u>	<u>59,567</u>	<u>56,504</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

C.O.P.S. Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 222,881	222,881	-
Resources (inflows):			
Intergovernmental	100,000	120,848	20,848
Use of money and property	<u>1,700</u>	<u>2,743</u>	<u>1,043</u>
Amounts available for appropriation	<u>324,581</u>	<u>346,472</u>	<u>21,891</u>
Charges to appropriation (outflows):			
Public safety	73,960	123,852	(49,892)
Capital outlay	<u>100,000</u>	<u>54,559</u>	<u>45,441</u>
Total charges to appropriations	<u>173,960</u>	<u>178,411</u>	<u>(4,451)</u>
Budgetary fund balance, September 30	<u>\$ 150,621</u>	<u>168,061</u>	<u>17,440</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund
 Special Revenues/Donations Fund
 Budgetary Comparison Schedule
 Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 1,940,211	1,940,211	-
Resources (inflows):			
Miscellaneous	<u>48,700</u>	<u>78,462</u>	<u>29,762</u>
Amounts available for appropriation	<u>1,988,911</u>	<u>2,018,673</u>	<u>29,762</u>
Charges to appropriation (outflows):			
Public safety	-	4,466	(4,466)
Community and cultural	<u>106,600</u>	<u>64,443</u>	<u>42,157</u>
Total charges to appropriations	<u>106,600</u>	<u>68,909</u>	<u>37,691</u>
Budgetary fund balance, September 30	<u>\$ 1,882,311</u>	<u>1,949,764</u>	<u>67,453</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

Measure R Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ 501,634	501,634	-
Resources (inflows):			
Intergovernmental	183,000	186,596	3,596
Use of money and property	<u>1,000</u>	<u>6,515</u>	<u>5,515</u>
Amounts available for appropriation	<u>685,634</u>	<u>694,745</u>	<u>9,111</u>
Charges to appropriation (outflows):			
Public works	-	-	-
Capital outlay	<u>170,003</u>	<u>85,530</u>	<u>84,473</u>
Total charges to appropriations	<u>170,003</u>	<u>85,530</u>	<u>84,473</u>
Budgetary fund balance (deficit), September 30	<u>\$ 515,631</u>	<u>609,215</u>	<u>93,584</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

Federal Grants Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ (4,642)	(4,642)	-
Resources (inflows):			
Use of money and property	<u>120</u>	<u>-</u>	<u>(120)</u>
Amounts available for appropriation	<u>(4,522)</u>	<u>(4,642)</u>	<u>(120)</u>
Charges to appropriation (outflows):			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance (deficit), September 30	<u>\$ (4,522)</u>	<u>(4,642)</u>	<u>(120)</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

State Grants Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance, October 1	\$ 26,534	26,534	-
Resources (inflows):			
Intergovernmental	<u>205,500</u>	<u>154,002</u>	<u>(51,498)</u>
Amounts available for appropriation	<u>232,034</u>	<u>180,536</u>	<u>(51,498)</u>
Charges to appropriation (outflows):			
Community and cultural	<u>278,623</u>	<u>248,690</u>	<u>29,933</u>
Total charges to appropriations	<u>278,623</u>	<u>248,690</u>	<u>29,933</u>
Budgetary fund balance (deficit), September 30	<u>\$ (46,589)</u>	<u>(68,154)</u>	<u>(21,565)</u>

CITY OF EL SEGUNDO
 Non-Major Special Revenue Fund

PSAF Property Tax Public Safety Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance, October 1	\$ -	-	-
Resources (inflows):			
Taxes	<u>25,000</u>	<u>28,911</u>	<u>3,911</u>
Amounts available for appropriation	<u>25,000</u>	<u>28,911</u>	<u>3,911</u>
Charges to appropriation (outflows):			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance (deficit), September 30	<u>\$ 25,000</u>	<u>28,911</u>	<u>3,911</u>

CITY OF EL SEGUNDO
 Non-Major Capital Projects Fund

Capital Improvement Fund

Budgetary Comparison Schedule

Year Ended September 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance (deficit), October 1	\$ 273,967	273,967	-
Resources (inflows):			
Intergovernmental	111,250	167,020	55,770
Transfer in	<u>120,000</u>	<u>3,200,004</u>	<u>3,080,004</u>
Amounts available for appropriation	<u>505,217</u>	<u>3,640,991</u>	<u>3,135,774</u>
Charges to appropriation (outflows):			
Public works	-	-	-
Capital outlay	3,941,242	391,928	3,549,314
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>3,941,242</u>	<u>391,928</u>	<u>3,549,314</u>
Budgetary fund balance (deficit), September 30	<u><u>\$ (3,436,025)</u></u>	<u><u>3,249,063</u></u>	<u><u>6,685,088</u></u>

CITY OF EL SEGUNDO
Internal Service Funds

Combining Statement of Net Position

September 30, 2015

	<u>Equipment Replacement Fund</u>	<u>Liability Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
<u>Assets</u>				
Current assets:				
Cash and investments	\$ 3,114,839	609,828	6,991,594	10,716,261
Receivables:				
Accounts	-	-	12,183	12,183
Advance to other funds	3,893,254	-	-	3,893,254
Prepays	-	659,379	358,953	1,018,332
Total current assets	<u>7,008,093</u>	<u>1,269,207</u>	<u>7,362,730</u>	<u>15,640,030</u>
Noncurrent assets:				
Capital assets, net	<u>2,723,857</u>	<u>-</u>	<u>-</u>	<u>2,723,857</u>
Total assets	<u>9,731,950</u>	<u>1,269,207</u>	<u>7,362,730</u>	<u>18,363,887</u>
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pension contributions	-	2,846	2,545	5,391
Deferred outflows - actuarial	-	16,592	14,829	31,421
Total deferred outflows of resources	<u>-</u>	<u>19,438</u>	<u>17,374</u>	<u>36,812</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	143,828	11,424	11,899	167,151
Accrued liabilities	-	(11,960)	114,935	102,975
Claims and judgments, current portion	-	386,791	1,270,610	1,657,401
Total current liabilities	<u>143,828</u>	<u>386,255</u>	<u>1,397,444</u>	<u>1,927,527</u>
Noncurrent liabilities:				
Claims and judgments, net of current portion	-	633,475	5,840,346	6,473,821
Net pension liability	-	125,355	112,034	237,389
Total liabilities	<u>143,828</u>	<u>1,145,085</u>	<u>7,349,824</u>	<u>8,638,737</u>
<u>Deferred Inflows of Resources</u>				
Deferred inflows - actuarial	-	29,137	26,040	55,177
Total deferred outflows of resources	<u>-</u>	<u>29,137</u>	<u>26,040</u>	<u>55,177</u>
<u>Net position</u>				
Net position:				
Investment in capital assets	2,723,857	-	-	2,723,857
Unrestricted	6,864,265	114,423	4,240	6,982,928
Total net position	<u>\$ 9,588,122</u>	<u>114,423</u>	<u>4,240</u>	<u>9,706,785</u>

CITY OF EL SEGUNDO
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Year Ended September 30, 2015

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
Operating revenues:				
Interdepartmental charges	\$ 1,533,720	1,370,029	1,256,117	4,159,866
Miscellaneous	-	-	304,867	304,867
Total operating revenues	1,533,720	1,370,029	1,560,984	4,464,733
Operating expenses:				
Personnel services	-	115,054	88,485	203,539
Materials and supplies	139,700	-	9,302	149,002
Insurance and claims	-	1,018,074	3,091,389	4,109,463
Depreciation	571,020	-	-	571,020
Total operating expenses	710,720	1,133,128	3,189,176	5,033,024
Operating income (loss)	823,000	236,901	(1,628,192)	(568,291)
Nonoperating revenues (expenses):				
Gain (loss) on disposal of capital assets	7,085	-	-	7,085
Total nonoperating revenues (expenses)	7,085	-	-	7,085
Income (loss) before transfers	830,085	236,901	(1,628,192)	(561,206)
Transfers:				
Transfers in	200,004	-	-	200,004
Total transfers	200,004	-	-	200,004
Change in net position	1,030,089	236,901	(1,628,192)	(361,202)
Net position at beginning of year, as restated (note 16)	8,558,033	(122,478)	1,632,432	10,067,987
Net position at end of year	\$ 9,588,122	114,423	4,240	9,706,785

CITY OF EL SEGUNDO

Internal Service Funds

Combining Statement of Cash Flows

Year Ended September 30, 2015

	<u>Equipment Replacement Fund</u>	<u>Liability Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from user departments	\$ 1,555,070	1,370,029	1,555,004	4,480,103
Cash payments to suppliers for goods and services	(33,322)	(1,209,047)	(1,943,425)	(3,185,794)
Cash payments to employees for services	<u>-</u>	<u>(120,103)</u>	<u>(78,085)</u>	<u>(198,188)</u>
Net cash provided by (used for) operating activities	<u>1,521,748</u>	<u>40,879</u>	<u>(466,506)</u>	<u>1,096,121</u>
Cash flows from noncapital financing activities:				
Cash received from other funds	<u>840,862</u>	<u>-</u>	<u>-</u>	<u>840,862</u>
Net cash provided by (used for) noncapital financing activities	<u>840,862</u>	<u>-</u>	<u>-</u>	<u>840,862</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(447,319)	-	-	(447,319)
Proceeds from sale of capital assets	<u>7,085</u>	<u>-</u>	<u>-</u>	<u>7,085</u>
Net cash provided by (used for) capital and related financing activities	<u>(440,234)</u>	<u>-</u>	<u>-</u>	<u>(440,234)</u>
Net increase in cash and cash equivalents	1,922,376	40,879	(466,506)	1,496,749
Cash and cash equivalents at beginning of year	<u>1,192,463</u>	<u>568,949</u>	<u>7,458,100</u>	<u>9,219,512</u>
Cash and cash equivalents at end of year	<u>\$ 3,114,839</u>	<u>609,828</u>	<u>6,991,594</u>	<u>10,716,261</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 823,000	236,901	(1,628,192)	(568,291)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	571,020	-	-	571,020
(Increase) decrease in accounts receivable	21,350	-	(5,980)	15,370
(Increase) decrease in prepaids	-	(141,429)	(12,261)	(153,690)
(Increase) decrease in deferred outflows	-	(19,438)	(17,374)	(36,812)
Increase (decrease) in accounts payable	106,378	(12,830)	84	93,632
Increase (decrease) in accrued liabilities	-	(24,662)	(7,128)	(31,790)
Increase (decrease) in claims and judgments payable	-	(36,714)	1,169,443	1,132,729
Increase (decrease) in net pension liability	-	9,914	8,862	18,776
(Increase) decrease in deferred outflows	<u>-</u>	<u>29,137</u>	<u>26,040</u>	<u>55,177</u>
Net cash provided by operating activities	<u>\$ 1,521,748</u>	<u>40,879</u>	<u>(466,506)</u>	<u>1,096,121</u>

CITY OF EL SEGUNDO

Agency Fund

Statement of Changes in Assets and Liabilities

Year Ended September 30, 2015

	<u>Balance at October 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at September 30, 2015</u>
<u>Assets</u>				
Cash and investments	\$ 460,756	279,936	-	740,692
Total assets	<u>\$ 460,756</u>	<u>279,936</u>	<u>-</u>	<u>740,692</u>
<u>Liabilities and Fund Balances</u>				
Accounts payable	\$ 45,210	-	2,338	42,872
Deposits	<u>415,546</u>	<u>367,553</u>	<u>85,279</u>	<u>697,820</u>
Total liabilities	<u>\$ 460,756</u>	<u>367,553</u>	<u>87,617</u>	<u>740,692</u>

STATISTICAL SECTION

CITY OF EL SEGUNDO
Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	118
<i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	
Revenue Capacity	128
<i>These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.</i>	
Debt Capacity	134
<i>These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	140
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.</i>	
Operating Information	144
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF EL SEGUNDO

Net Position by Component

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities:					
Invested in capital assets, net of related debt	84,750,880	93,050,671	96,945,461	101,059,634	97,156,670
Restricted	32,400,183	21,459,215	23,533,242	15,034,440	14,945,583
Unrestricted	<u>19,832,838</u>	<u>26,063,219</u>	<u>33,203,368</u>	<u>26,925,769</u>	<u>19,672,020</u>
Total governmental activities net position	<u>136,983,901</u>	<u>140,573,105</u>	<u>153,682,071</u>	<u>143,019,843</u>	<u>131,774,273</u>
Business-type activities:					
Invested in capital assets, net of related debt	23,563,042	22,805,716	22,762,429	22,432,525	22,070,122
Restricted	-	-	-	-	-
Unrestricted	<u>(4,953,090)</u>	<u>(4,559,622)</u>	<u>(3,537,616)</u>	<u>(2,952,989)</u>	<u>(3,948,729)</u>
Total business-type activities net position	<u>18,609,952</u>	<u>18,246,094</u>	<u>19,224,813</u>	<u>19,479,536</u>	<u>18,121,393</u>
Primary government:					
Invested in capital assets, net of related debt	108,313,922	115,856,387	119,707,890	123,492,159	119,226,792
Restricted	32,400,183	21,459,215	23,533,242	15,034,440	14,945,583
Unrestricted	<u>14,879,748</u>	<u>21,503,597</u>	<u>29,665,752</u>	<u>23,972,780</u>	<u>15,723,291</u>
Total primary government net position	<u>155,593,853</u>	<u>158,819,199</u>	<u>172,906,884</u>	<u>162,499,379</u>	<u>149,895,666</u>

The City of El Segundo implemented GASB 34 for the fiscal year ended September 30, 2003. Information prior to the implementation of GASB 34 is not available.

CITY OF EL SEGUNDO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
Invested in capital assets, net of related debt	94,655,626	92,822,442	94,098,755	93,534,776	90,783,595
Restricted	8,055,325	10,941,373	6,276,645	8,054,083	8,922,448
Unrestricted	<u>22,462,477</u>	<u>14,728,936</u>	<u>15,050,409</u>	<u>22,170,866</u>	<u>(89,732,982)</u>
Total governmental activities net position	<u>125,173,428</u>	<u>118,492,751</u>	<u>115,425,809</u>	<u>123,759,725</u>	<u>9,973,061</u>
Business-type activities:					
Invested in capital assets, net of related debt	21,360,061	21,009,889	20,675,297	21,771,266	22,657,797
Restricted	-	-	-	-	-
Unrestricted	<u>1,113,161</u>	<u>3,362,263</u>	<u>7,484,917</u>	<u>11,652,989</u>	<u>12,247,482</u>
Total business-type activities net position	<u>22,473,222</u>	<u>24,372,152</u>	<u>28,160,214</u>	<u>33,424,255</u>	<u>34,905,279</u>
Primary government:					
Invested in capital assets, net of related debt	116,015,687	113,832,331	114,774,052	115,306,042	113,441,392
Restricted	8,055,325	10,941,373	6,276,645	8,054,083	8,922,448
Unrestricted	<u>23,575,638</u>	<u>18,091,199</u>	<u>22,535,326</u>	<u>33,823,855</u>	<u>(77,485,500)</u>
Total primary government net position	<u>147,646,650</u>	<u>142,864,903</u>	<u>143,586,023</u>	<u>157,183,980</u>	<u>44,878,340</u>

CITY OF EL SEGUNDO

Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
General government	9,349,510	10,321,092	10,718,938	13,852,408	13,165,193
Public safety	27,989,969	29,703,159	33,790,991	34,337,277	31,998,360
Public works	6,705,868	7,904,340	8,206,589	9,178,249	7,692,049
Community development	10,622,993	19,171,016	18,969,354	14,776,778	15,405,013
Interest on long-term debt	121,171	262,544	412,436	382,625	324,119
Total governmental activities expenses	<u>54,789,511</u>	<u>67,362,151</u>	<u>72,098,308</u>	<u>72,527,337</u>	<u>68,584,734</u>
Business-type activities:					
Water	12,349,552	12,876,676	13,988,801	16,148,799	21,035,538
Wastewater	2,355,974	2,593,615	2,203,536	2,849,682	3,293,104
Golf Course	2,562,604	2,303,340	2,750,411	2,048,696	2,095,408
Total business-type activities expenses	<u>17,268,130</u>	<u>17,773,631</u>	<u>18,942,748</u>	<u>21,047,177</u>	<u>26,424,050</u>
Total primary government expenses	<u>72,057,641</u>	<u>85,135,782</u>	<u>91,041,056</u>	<u>93,574,514</u>	<u>95,008,784</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	100,489	113,309	806,733	1,021,661	299,202
Public safety	1,585,443	1,564,512	1,514,759	1,563,776	1,677,855
Public works	1,135	792	10,486	13,099	20,331
Community development	3,960,577	4,960,291	5,160,611	5,043,717	3,385,519
Operating grants and contributions	1,190,565	1,583,770	4,984,065	3,053,968	2,186,623
Capital grants and contributions	17,360,670	10,875,311	20,921,140	3,264,022	16,013,471
Total governmental activities program revenues	<u>24,198,879</u>	<u>19,097,985</u>	<u>33,397,794</u>	<u>13,960,243</u>	<u>23,583,001</u>
Business-type activities:					
Charges for services:					
Water	11,613,793	12,873,323	14,394,964	15,487,005	19,233,888
Wastewater	1,654,179	2,244,229	3,091,178	3,717,090	3,663,397
Golf Course	1,930,790	2,267,616	2,141,499	2,119,159	1,945,930
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>15,198,762</u>	<u>17,385,168</u>	<u>19,627,641</u>	<u>21,323,254</u>	<u>24,843,215</u>
Total primary government program revenues	<u>39,397,641</u>	<u>36,483,153</u>	<u>53,025,435</u>	<u>35,283,497</u>	<u>48,426,216</u>
Net revenues (expenses):					
Governmental activities	(30,590,632)	(48,264,166)	(38,700,514)	(58,567,094)	(45,001,733)
Business-type activities	<u>(2,069,368)</u>	<u>(388,463)</u>	<u>684,893</u>	<u>276,077</u>	<u>(1,580,835)</u>
Total net revenues (expenses)	<u>(32,660,000)</u>	<u>(48,652,629)</u>	<u>(38,015,621)</u>	<u>(58,291,017)</u>	<u>(46,582,568)</u>

CITY OF EL SEGUNDO
Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses:					
Governmental activities:					
General government	11,882,856	12,537,230	12,048,465	11,813,797	14,984,299
Public safety	31,638,027	32,238,620	32,790,373	31,891,478	41,422,188
Public works	7,903,942	7,988,435	9,123,850	8,459,550	9,150,452
Community development	9,115,175	13,877,815	15,681,868	12,065,582	21,038,253
Interest on long-term debt	258,581	16,182	(15,914)	457,655	457,994
Total governmental activities expenses	<u>60,798,581</u>	<u>66,658,282</u>	<u>69,628,642</u>	<u>64,688,062</u>	<u>87,053,186</u>
Business-type activities:					
Water	19,811,233	22,452,371	21,988,089	23,946,676	25,035,801
Wastewater	2,847,527	2,528,839	2,908,241	2,980,026	3,484,104
Golf Course	2,043,141	1,973,712	2,017,716	2,091,413	2,190,195
Total business-type activities expenses	<u>24,701,901</u>	<u>26,954,922</u>	<u>26,914,046</u>	<u>29,018,115</u>	<u>30,710,100</u>
Total primary government expenses	<u>85,500,482</u>	<u>93,613,204</u>	<u>96,542,688</u>	<u>93,706,177</u>	<u>117,763,286</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	457,671	581,718	419,008	421,649	635,350
Public safety	1,743,941	1,568,107	1,663,384	1,522,081	1,948,464
Public works	32,102	15,190	14,262	50,489	267,748
Community development and cultural	3,941,316	5,081,885	5,030,006	5,796,983	6,733,395
Operating grants and contributions	2,101,494	1,508,499	2,699,324	2,629,490	2,052,527
Capital grants and contributions	595,807	7,815,458	7,646,118	7,469,236	14,487,783
Total governmental activities program revenues	<u>8,872,331</u>	<u>16,570,857</u>	<u>17,472,102</u>	<u>17,889,928</u>	<u>26,125,267</u>
Business-type activities:					
Charges for services:					
Water	22,800,787	23,344,919	25,048,713	28,032,902	29,304,012
Wastewater	4,274,392	3,236,359	3,574,272	3,389,450	3,568,042
Golf Course	1,945,415	1,919,435	2,111,937	2,045,652	1,939,165
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>29,020,594</u>	<u>28,500,713</u>	<u>30,734,922</u>	<u>33,468,004</u>	<u>34,811,219</u>
Total primary government program revenues	<u>37,892,925</u>	<u>45,071,570</u>	<u>48,207,024</u>	<u>51,357,932</u>	<u>60,936,486</u>
Net revenues (expenses):					
Governmental activities	(51,926,250)	(50,087,425)	(52,156,540)	(46,798,134)	(60,927,919)
Business-type activities	4,318,693	1,545,791	3,820,876	4,449,889	4,101,119
Total net revenues (expenses)	<u>(47,607,557)</u>	<u>(48,541,634)</u>	<u>(48,335,664)</u>	<u>(42,348,245)</u>	<u>(56,826,800)</u>

CITY OF EL SEGUNDO

Changes in Net Position

**Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year				
	2006	2007	2008	2009	2010
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	5,760,520	7,017,784	7,282,401	7,616,466	7,752,878
Sales tax	10,426,570	12,154,510	12,770,990	12,754,717	10,067,929
Transient occupancy taxes	4,238,880	4,809,341	4,842,887	4,109,581	3,954,416
Other taxes	21,418,400	23,373,778	21,355,842	19,551,661	18,038,918
Motor vehicle in lieu, unrestricted	120,171	93,768	70,886	48,011	51,543
Investment income	2,354,908	3,420,487	(1,825,582)	3,241,784	836,001
Other general revenues	-	7,050	1,376,666	333,886	1,003,771
Transfers	795,000	-	-	(6,000)	-
Total governmental activities	<u>45,114,449</u>	<u>50,876,718</u>	<u>45,874,090</u>	<u>47,650,106</u>	<u>41,705,456</u>
Business-type activities:					
Investment income	(3,563)	4,595	10,256	(109,236)	96,668
Other	18,463	20,010	89,059	81,882	29,482
Transfers	(795,000)	-	-	6,000	-
Total business-type activities	<u>(780,100)</u>	<u>24,605</u>	<u>99,315</u>	<u>(21,354)</u>	<u>126,150</u>
Total primary government	<u>44,334,349</u>	<u>50,901,323</u>	<u>45,973,405</u>	<u>47,628,752</u>	<u>41,831,606</u>
Changes in net position:					
Governmental activities	14,523,817	2,612,552	7,173,576	(10,916,988)	(3,296,277)
Business-type activities	<u>(2,849,468)</u>	<u>(363,858)</u>	<u>784,208</u>	<u>254,723</u>	<u>(1,454,685)</u>
Total primary government	<u>11,674,349</u>	<u>2,248,694</u>	<u>7,957,784</u>	<u>(10,662,265)</u>	<u>(4,750,962)</u>

The City of El Segundo implemented GASB 34 for the fiscal year ended September 30, 2003. Information prior to the implementation of GASB 34 is not available.

CITY OF EL SEGUNDO
Changes in Net Position

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	7,549,483	7,365,363	7,910,980	8,452,120	8,380,084
Sales tax	11,383,167	10,623,237	9,099,745	10,297,709	11,442,632
Transient occupancy taxes	4,301,696	4,735,585	5,156,080	5,964,403	5,423,972
Other taxes (UUT, Franchise, Business)	18,559,063	18,587,882	25,314,387	28,809,018	27,765,133
Use of money & property, unrestricted	999,124	402,473	120,418	331,823	331,238
Other general revenues	<u>2,532,872</u>	<u>1,692,208</u>	<u>1,487,988</u>	<u>1,277,597</u>	<u>813,211</u>
Total governmental activities	<u>45,325,405</u>	<u>43,406,748</u>	<u>49,089,598</u>	<u>55,132,670</u>	<u>54,156,270</u>
Business-type activities:					
Investment income	-	99,690	21,378	152,874	254,662
Other	33,136	63,795	35,600	42,379	19,730
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>33,136</u>	<u>163,485</u>	<u>56,978</u>	<u>195,253</u>	<u>274,392</u>
Total primary government	<u>45,358,541</u>	<u>43,570,233</u>	<u>49,146,576</u>	<u>55,327,923</u>	<u>54,430,662</u>
Changes in net position:					
Governmental activities	(6,600,845)	(6,680,677)	(3,066,942)	8,334,536	(6,771,649)
Business-type activities	<u>4,351,829</u>	<u>1,709,276</u>	<u>3,877,854</u>	<u>4,645,142</u>	<u>4,375,511</u>
Total primary government	<u>(2,249,016)</u>	<u>(4,971,401)</u>	<u>810,912</u>	<u>12,979,678</u>	<u>(2,396,138)</u>

CITY OF EL SEGUNDO

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
General fund:					
Reserved	1,617,474	1,328,063	971,743	5,088,566	326,005
Unreserved	14,115,350	14,403,394	14,004,971	8,224,712	11,423,791
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>15,732,824</u>	<u>15,731,457</u>	<u>14,976,714</u>	<u>13,313,278</u>	<u>11,749,796</u>
All other governmental funds:					
Reserved	11,987,345	4,918,779	13,268,029	9,800,612	4,623,285
Unreserved, reported in:					
Special revenue funds	11,504,787	5,843,345	10,154,118	7,510,316	3,485,711
Debt Service funds	65,477	65,477	65,477	65,477	65,477
Capital projects funds	13,530,903	6,947,892	(4,682,793)	(3,242,872)	3,999,778
Nonspendable					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>37,088,512</u>	<u>17,775,493</u>	<u>18,804,831</u>	<u>14,133,533</u>	<u>12,174,251</u>

The data for the City of El Segundo prior to 2003 is not available.

CITY OF EL SEGUNDO

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2011 ¹	2012	2013	2014	2015
General fund:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	6,421,009	1,884,602	1,873,812	3,380,264	2,575,497
Restricted	-	-	-	-	-
Assigned	892,810	445,114	2,049,483	2,876,450	3,129,606
Unassigned	<u>5,315,133</u>	<u>7,839,124</u>	<u>12,664,755</u>	<u>14,075,307</u>	<u>14,587,023</u>
Total general fund	<u>12,628,952</u>	<u>10,168,840</u>	<u>16,588,050</u>	<u>20,332,021</u>	<u>20,292,126</u>
All other governmental funds:					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	80	5,772	-
Restricted	6,091,731	5,798,068	4,196,184	7,373,435	5,005,452
Assigned	4,858,234	3,690,657	1,548,572	1,416,473	5,031,396
Unassigned	<u>(2,091)</u>	<u>(2,752,409)</u>	<u>(3,779,255)</u>	<u>(1,577,594)</u>	<u>(78,071)</u>
Total all other governmental funds	<u>10,947,874</u>	<u>6,736,316</u>	<u>1,965,581</u>	<u>7,218,086</u>	<u>9,958,777</u>

Notes: ¹ The City of El Segundo implemented GASB Statement No. 54 during the fiscal year ended September 30, 2011. This statement eliminated the previous fund balance categories (reserved and unreserved) and replaced them with for new categories (nonspendable, restricted, assigned, unassigned). Fund balance amounts as of September 30, 2011 are stated to present the new categories; however, all previous fiscal years are presented using the old categories.

CITY OF EL SEGUNDO

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues:					
Taxes	32,534,393	33,575,184	36,590,651	34,727,842	30,557,942
Licenses and permits	9,338,841	11,095,397	11,062,494	10,824,480	10,385,074
Intergovernmental	16,859,158	10,749,574	18,520,903	12,428,031	16,743,693
Charges for services	3,610,900	4,261,714	4,600,659	4,159,268	3,517,010
Use of money and property	2,524,061	3,535,569	(1,616,003)	3,060,556	1,227,521
Fines and forfeitures	958,562	1,028,757	1,531,739	2,433,868	1,676,572
Other	3,177,497	3,566,400	2,199,327	1,152,558	1,187,008
Total revenues	69,003,412	67,812,595	72,889,770	68,786,603	65,294,820
Expenditures					
Current:					
General government	8,497,006	10,442,261	10,781,830	14,472,959	13,698,982
Public safety	28,310,843	30,734,673	34,589,623	34,703,602	31,435,938
Public works	4,415,311	5,540,010	5,935,480	5,927,434	5,711,977
Community and cultural	10,550,000	19,180,981	18,528,447	14,304,838	13,476,514
Capital outlay	20,956,917	18,842,262	5,788,135	7,362,304	3,550,273
Debt service:					
Principal retirement	21,009	248,144	256,199	-	-
Interest and fiscal charges	172,991	287,000	435,813	-	-
Total expenditures	72,924,077	85,275,331	76,315,527	76,771,137	67,873,684
Excess (deficiency) of revenues over (under) expenditures	(3,920,665)	(17,462,736)	(3,425,757)	(7,984,534)	(2,578,864)
Other financing sources (uses):					
Transfers in	19,877,540	18,284,204	12,605,726	13,781,018	10,358,160
Transfers out	(19,282,540)	(20,135,854)	(12,860,726)	(12,131,218)	(6,827,610)
Proceeds from loans	-	-	-	-	1,980,038
Capital leases issued	-	-	-	-	-
Long-term debt issued	-	-	-	-	-
Total other financing sources (uses)	595,000	(1,851,650)	(255,000)	1,649,800	5,510,588
Net change in fund balances	(3,325,665)	(19,314,386)	(3,680,757)	(6,334,734)	2,931,724
Debt service as a percentage of noncapital expenditures	0.37%	0.81%	0.98%	0.00%	0.00%

CITY OF EL SEGUNDO

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues:					
Taxes	32,094,475	31,218,273	37,452,888	42,638,899	42,132,274
Licenses and permits	10,936,873	11,855,052	11,624,026	12,725,503	12,973,204
Intergovernmental	4,048,295	4,596,724	9,811,864	11,931,067	8,919,841
Charges for services	4,320,364	5,220,234	4,958,310	5,172,579	6,197,552
Use of money and property	898,711	452,022	133,291	590,605	615,862
Fines and forfeitures	1,201,110	1,050,832	791,650	914,036	903,172
Developer fees					432,810
Other	3,349,096	1,826,973	2,074,386	1,877,562	2,960,332
Total revenues	56,848,924	56,220,110	66,846,415	75,850,251	75,135,047
Expenditures					
Current:					
General government	12,456,304	12,575,953	11,724,215	12,677,731	14,523,141
Public safety	31,359,158	31,291,236	31,145,703	33,576,082	33,694,064
Public works	4,991,382	5,126,634	6,300,670	5,676,244	5,574,118
Community and cultural	7,748,804	13,190,255	14,451,893	12,277,418	19,523,563
Capital outlay	2,040,497	1,607,702	2,015,459	2,133,639	1,021,033
Debt service:					
Principal retirement	-	-	-	275,092	282,987
Interest and fiscal charges	-	-	-	237,569	229,674
Total expenditures	58,596,145	63,791,780	65,637,940	66,853,775	74,848,580
Excess (deficiency) of revenues over (under) expenditures	(1,747,221)	(7,571,670)	1,208,475	8,996,476	286,467
Other financing sources (uses):					
Transfers in	3,167,231	3,163,394	8,455,512	3,048,087	10,138,836
Transfers out	(1,767,231)	(2,263,394)	(8,015,512)	(3,048,087)	(10,338,840)
Proceeds from loans	-	-	-	-	-
Capital leases issued	-	-	-	-	-
Long-term debt issued	-	-	-	-	-
Total other financing sources (uses)	1,400,000	900,000	440,000	-	(200,004)
Net change in fund balances	(347,221)	(6,671,670)	1,648,475	8,996,476	86,463
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.79%	0.69%

CITY OF EL SEGUNDO
Top Sales Tax Producers
September 30, 2015

<u>Business Name</u>	<u>Business Category</u>
Accuvant	Information Technology
Aerospace	Business Services
Best Buy	Electronics/Appliance Stores
Boeing Company	Transportation Equipment Manufacturing
BT Americas/Infonet USA	InformationTechnology
Chevron	Refinery
Circle K	Service Stations
Container Store	Specialty Store
Dicks Sporting Goods	Sporting Goods/Bike Stores
Flemings Steakhouse	Restaurant
Home Goods	Home Furnishings Stores
Impex Technologies Inc	Information Technology
Interior Office Solutions	Office Furniture Store
Karl Storz Endoscopy America	Health/Medical
Lululemon Athletica	Sporting & Recreational Goods & Supplies
Northrop Grumman	Trailers/Auto Parts
Patterson Dental Supply	Health/Medical
PC Mall	Office Equipment
Primary Color Systems	Graphic Arts Services
Ralphs	Grocery Stores - Liquor
Raytheon Company	Aerospace
Spirent Communications	Office Supplies/Furniture
Trace 3	Information Technology
Whole Foods Market	Grocery Stores-Beer/Wine
Xerox	Office Equipment

Note: Percent of Fiscal Year Total Paid by Top 25 accounts - 57.81%

*Firms Listed Alphabetically. (Period July 2014 - March 2015)

Source: HdL Coren & Cone; Hinderliter, de Llamas & Associates, State Board of Equalization

CITY OF EL SEGUNDO
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2015			2005		
	Assessed Value	Rank	Percent of Total City Assessed Value	Assessed Value	Rank	Percent of Total City Assessed Value
Chevron USA Inc	\$ 1,809,284,056	1	16.98%	\$ 2,142,822,434	1	26.60%
Boeing Company	476,406,982	2	4.47%	447,124,907	3	5.55%
Hughes Aircraft/Raytheon	449,220,282	3	4.22%	658,709,194	2	8.18%
Aerospace Corporation	290,269,165	4	2.72%	97,432,729	8	1.21%
Northrop Grumman Systems	278,412,375	5	2.61%	-	-	0.00%
Space Exploration Technologies Corp	216,721,793	6	2.03%			0.00%
DFW IV 400 Continental BLVD LLC	211,432,723	7	1.98%			0.00%
Pacific Corporate Towers LLC	172,598,897	8	1.62%	148,428,515	5	1.84%
Kilroy Realty Finance Partnership	170,268,693	9	1.60%			0.00%
Pes Partners LLC	158,355,245	10	1.49%			0.00%
Northrup Corporation				232,106,887	4	2.88%
NRG West Procurement Company LLC (El Se	-	-	-	126,000,000	6	1.56%
NL LCB Property LLC	-	-	-	87,210,000	10	1.12%
City of El Segundo	-	-	-	96,864,107	9	1.24%
Mattel Inc	-	-	-	99,246,972	7	1.23%
	<u>\$ 4,232,970,211</u>		<u>39.72%</u>	<u>4,135,945,745</u>		<u>52.96%</u>

Source: County Assessor's Office and HdL Coren & Cone.

CITY OF EL SEGUNDO

Assessed Value and Estimated Actual Value of Taxable Property¹

(in thousands of dollars)

Year Ended June 30	City			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions ¹		
2006	6,938,417	1,118,644	-	8,057,062	1.0000%
2007	7,158,440	1,144,458	-	8,302,898	1.0000%
2008	7,762,424	1,185,813		8,948,237	1.0000%
2009	8,359,395	1,300,504		9,659,899	1.0000%
2010	8,571,689	1,338,811		9,910,501	1.0000%
2011	8,187,752	1,423,531		9,611,284	1.0000%
2012	8,082,672	1,241,746		9,324,418	1.0000%
2013	8,278,135	1,423,110		9,701,245	1.0000%
2014	8,446,568	1,862,068		10,308,636	1.0000%
2015	8,433,859	1,604,574		10,038,434	1.0000%

Beginning with the fiscal year ended June 30, 1999, exemptions are netted directly against the individual property categories.

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Los Angeles County Assessor's Office

CITY OF EL SEGUNDO

**Direct and Overlapping Property Tax Rates
(Rate per \$100 of taxable value)**

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Direct Rates:					
General	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Total City Direct Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:					
Metropolitan Water District	0.00470	0.00450	0.00450	0.00430	0.00430
County Flood Control	0.00052	\$ -	0.00000	0.00000	0.00000
El Segundo Unified School District	0.11170	0.11170	0.11170	0.11170	0.11170
City of El Segundo	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles County	<u>0.00066</u>	<u>-</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Total Direct Rate	<u>1.11758</u>	<u>1.11620</u>	<u>1.11620</u>	<u>1.11600</u>	<u>1.11600</u>

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Example Unified School District bonds.

Source: Los Angeles County Assessor's Office

CITY OF EL SEGUNDO

**Direct and Overlapping Property Tax Rates
(Rate per \$100 of taxable value)**

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Direct Rates:					
General	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Total City Direct Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:					
Metropolitan Water District	0.00370	0.00370	0.00350	0.00350	0.00350
County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
El Segundo Unified School District	0.11170	0.11170	0.11170	0.11170	0.11170
City of El Segundo	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles County	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Total Direct Rate	<u>1.11540</u>	<u>1.11540</u>	<u>1.11520</u>	<u>1.11520</u>	<u>1.11520</u>

CITY OF EL SEGUNDO
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006	5,217,126	5,067,060	97.12%	110,226	5,177,286	99.24%
2007	5,298,287	5,085,531	95.98%	46,304	5,131,835	96.86%
2008	5,768,451	5,474,568	94.91%	45,822	5,520,390	95.70%
2009	6,202,417	5,904,696	95.20%	260,889	6,165,584	99.41%
2010	6,345,073	6,117,416	96.41%	0	6,117,416	96.41%
2011	6,172,420	6,005,643	97.30%	0	6,005,643	97.30%
2012	6,006,864	5,990,455	99.73%	0	5,990,455	99.73%
2013	6,277,523	6,144,309	97.88%	0	6,144,309	97.88%
2014	6,680,795	6,558,427	98.17%	0	6,558,427	98.17%
2015	6,538,375	6,438,118	98.47%	0	6,438,118	98.47%

Source: Los Angeles County Auditor Controller's Office

CITY OF EL SEGUNDO

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(In Thousands, except Per Capita)

Fiscal Year Ended ¹ September 30	Outstanding General Bonded Debt				Percent of Assessed Value ²	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Total		
2006	-	-	-	-	0.000%	-
2007	-	-	-	-	0.000%	-
2008	-	-	-	-	0.000%	-
2009	-	-	-	-	0.000%	-
2010	-	-	-	-	0.000%	-
2011	-	-	-	-	0.000%	-
2012	-	-	-	-	0.000%	-
2013	-	-	-	-	0.000%	-
2014	-	-	-	-	0.000%	-
2015	-	-	-	-	0.000%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Fiscal Years 2000 - current are 12 month reporting periods ending on September 30.

² Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

CITY OF EL SEGUNDO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended September 30	Governmental Activities				Total Governmental Activities
	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Leases/ Loans	
2006	-	-	-	12,532,485	12,532,485
2007	-	-	-	12,284,341	12,284,341
2008	-	-	-	10,048,104	10,048,104
2009	-	-	-	9,783,555	9,783,555
2010	-	-	-	11,490,384	11,490,384
2011	-	-	-	11,208,191	11,208,191
2012	-	-	-	10,916,677	10,916,677
2013	-	-	-	10,615,488	10,615,488
2014	-	-	-	10,303,635	10,303,635
2015	-	-	-	9,982,592	9,982,592

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Office of Economic Development (data shown is for Los Angeles County)

CITY OF EL SEGUNDO

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended September 30	Business-type Activities			Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
	Leases/ Loans	Certificates of Participation	Total Business-type Activities			
2006	2,550,605	-	2,550,605	15,083,090	3.9%	382
2007	2,139,360	-	2,139,360	14,423,701	3.6%	352
2008	1,727,846	-	1,727,846	11,775,950	2.9%	280
2009	1,240,683	-	1,240,683	11,024,238	2.8%	273
2010	777,301	-	777,301	12,267,685	3.0%	298
2011	285,586	-	285,586	11,493,777	2.7%	268
2012	-	-	-	10,916,677	2.5%	245
2013	-	-	-	10,615,488	2.4%	239
2014	-	-	-	10,303,635	2.3%	227
2015				9,982,592	2.1%	214

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ Office of Economic Development (data shown is for Los Angeles County)

CITY OF EL SEGUNDO
Direct and Overlapping Debt
September 30, 2015

<u>2014-15 City Assessed Valuation:</u>		<u>\$10,038,433,773</u>		
	Percentage Applicable ¹	Total Debt 9/30/15	Exclusions	Estimated Share of Direct and Overlapping Debt
DIRECT DEBT:		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL DIRECT DEBT		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OVERLAPPING DEBT:				
Los Angeles County Flood Control District	0.852%	\$ 15,105,000	\$ 14,976,305	\$ 128,695
Metropolitan Water District	0.434%	110,420,000	109,940,777	479,223
El Camino Community College District	11.313%	322,236,166	285,781,589	36,454,577
El Segundo Unified School District	100.000%	43,102,453	0	43,102,453
Wiseburn School District	70.632%	139,134,833	40,861,118	98,273,715
L.A.County Regional Park and Open Space A.D.	0.836%	82,880,000	82,187,123	692,877
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 712,878,452</u>	<u>\$ 533,746,911</u>	<u>\$ 179,131,540</u>
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Los Angeles County General Fund Obligations	0.836%	\$ 1,824,668,709	\$ 1,809,414,479	\$ 15,254,230
Los Angeles County Superintendent of Schools COP'S	0.836%	7,944,360	7,877,945	66,415
L.A.County Sanitation District No. 5 Authority	5.648%	31,643,711	29,856,474	1,787,237
L.A.County Sanitation District South Bay Cities Authority	0.068%	5,391,433	5,387,767	3,666
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		<u>\$1,869,648,213</u>	<u>\$ 1,852,536,666</u>	<u>\$ 17,111,548</u>
Net Combined Total Debt		<u>\$ 2,582,526,665</u>	<u>\$ 2,386,283,577</u>	<u>\$ 196,243,088</u>
Gross Combined Total Debt (2)				<u>\$ 196,243,088</u>

¹ The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Also excludes accreted value of capital appreciation bonds.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.78%
Total Direct Debt.....	0.00%
Net Combined Total Debt.....	1.95%

Source: California Municipal Statistics, Inc.

CITY OF EL SEGUNDO
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			Fiscal Year	
	2005-06	2006-07	2007-08	2008-09	2009-10
Assessed valuation	\$ 7,854,282,360	\$ 8,057,061,507	\$ 8,302,898,491	\$ 8,948,236,979	\$ 9,659,898,923
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Assessed valuation	1,963,570,590	2,014,265,377	2,075,724,623	2,237,059,245	2,414,974,731
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	294,535,589	302,139,807	311,358,693	335,558,887	362,246,210
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 294,535,589</u>	<u>\$ 302,139,807</u>	<u>\$ 311,358,693</u>	<u>\$ 335,558,887</u>	<u>\$ 362,246,210</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: California Municipal Statistics, Inc.
Los Angeles County Tax Assessor's Office

CITY OF EL SEGUNDO
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2010-11	2011-12	2012-13	2013-14	2014-2015
Assessed valuation	\$ 9,611,283,541	\$ 9,324,417,663	\$ 9,701,244,855	\$ 10,308,636,196	\$ 10,038,433,763
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Assessed valuation	2,402,820,885	2,331,104,416	2,425,311,214	2,577,159,049	2,509,608,441
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	360,423,133	349,665,662	363,796,682	386,573,857	376,441,266
Total net debt applicable to limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 360,423,133</u>	<u>\$ 349,665,662</u>	<u>\$ 363,796,682</u>	<u>\$ 386,573,857</u>	<u>\$ 376,441,266</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF EL SEGUNDO

Demographic and Economic Statistics

Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (2)</u>
2006	16,965	384,400	39,471	4.8%
2007	17,076	397,900	41,016	5.1%
2008	17,002	410,000	42,114	7.5%
2009	16,999	394,900	40,351	11.6%
2010	17,049	404,000	41,113	12.6%
2011	16,708	424,800	42,953	12.3%
2012	16,720	443,100	44,474	11.0%
2013	16,815	454,300	45,310	9.9%
2014	16,897	470,200	46,633	8.2%
2015	17,000	521,900	51,200	6.9%

Note: The information provided for personal income and per capita personal income is for the county of Los Angeles.
Information for the City of El Segundo was not available.

Sources: (1) State Department of Finance
(2) LAEDC Outlook for Los Angeles County (data shown is for Los Angeles County and restated prior years due to the data's annual revision).

CITY OF EL SEGUNDO
Principal Employers
Current Year and Eight Years Ago

Employer	2014			2006		
	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment ¹	Rank
Raytheon Company	5,422	10.75%	1	8,594	0.00%	1
Boeing Satellite Systems Inc.	5,042	10.00%	2	5,960	0.00%	2
Northrop Grumman Corporation	2,763	5.48%	3	5,555	0.00%	3
The Aerospace Corporation	2,560	5.08%	4	2,847	0.00%	4
The DirecTV Group Inc.	2,384	4.73%	5	1,268	0.00%	6
Mattel	1,791	3.55%	6	1,737	0.00%	5
Accenture	1,211	2.40%	7	753	0.00%	8
Chevron Products Company/USA Inc.	1,137	2.26%	8	1,062	0.00%	7
Time Warner Cable/Sports	748	1.48%	9	N/A	0.00%	-
Carsdirect.com	435	0.86%	10	N/A	0.00%	-
Teledyne Controls	428	0.85%	11	N/A	0.00%	-
Big 5	374	0.74%	12	N/A	0.00%	-
International Rectifier Corporation	351	0.70%	13	708	0.00%	10
Cetera Financial Group Inc	341	0.68%	14	N/A	0.00%	-
Karl Storz Endoscopy America Inc	321	0.64%	15	N/A	0.00%	-

¹ Total Employment within city limits is not available for 2006-2008 to calculate percentage.

Source: City of El Segundo Business Services Division
The data for the City of El Segundo prior to 2006 is not available.

CITY OF EL SEGUNDO

Full-time and Part-time City Employees By Function

Last Ten' Fiscal Years

Function	Full-time and Part-time Employees as of September 30				
	Fiscal Year				
	2006	2007	2008	2009	2010
General Government	52	52	65	65	52
Public Safety	147	147	181 ¹	178	177
Public Works	33	33	22	27	18
Community & Cultural	140	110	75 ¹	78	73
Water	11	11	10	10	11
Sewer	6	6	6	6	5
Total	<u>389</u>	<u>359</u>	<u>359</u>	<u>364</u>	<u>336</u>

Source: City of El Segundo Payroll Division

¹The City transferred 40 non-sworn officers from Community & Cultural to Public Safety.

CITY OF EL SEGUNDO

Full-time and Part-time City Employees By Function

Last Ten¹ Fiscal Years

Function	Full-time and Part-time Employees as of September 30				
	Fiscal Year				
	2011	2012	2013	2014	2015
General Government	51	51	52	60	69
Public Safety	157	150	153	138	137
Public Works	18	17	18	27	30
Community & Cultural	81	83	77	81	80
Water	11	9	9	11	11
Sewer	5	6	5	6	6
Total	<u>323</u>	<u>316</u>	<u>314</u>	<u>323</u>	<u>333</u>

Source: City of El Segundo Payroll Division

¹The City transferred 40 non-sworn officers from Community & Cultural to Public Safety.

CITY OF CITY OF EL SEGUNDO
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Police:					
Arrests	1,139	1,048	1,171	1,401	1,316
Parking citations issued	12,066	12,505	11,859	9,662	8,536
Fire:					
Number of emergency calls	2,410	2,434	2,505	2,323	2,260
Inspections	N/A	N/A	N/A	2,170	2,166
Medical Responses	N/A	1,538	1,507	1,442	1,465
Public Works:					
Street resurfacing (miles)	N/A	1	0.60	N/A	1.04
Reconstruction (miles)	N/A	1	-	N/A	-
New Street (miles)	N/A	1	0.25	N/A	-
Electronic Recycling (pounds)	N/A	N/A	11,658	N/A	N/A
Paper Shred Recycling (pounds)	N/A	N/A	1,140	N/A	N/A
Parks and recreation:					
Number of recreation classes	N/A	933	1,065	1,212	1,344
Class registrations	N/A	N/A	N/A	N/A	N/A
Recreation Trips participants	N/A	N/A	N/A	N/A	N/A
Number of facility rentals	N/A	124	120	552	248
Number of Reservations	N/A	N/A	N/A	N/A	9,686
Shuttles transported (riders)	N/A	N/A	14,400	23,374	14,661
Dial-A-Ride residents	N/A	N/A	19,920	8,769	10,262
Homebound Meals	N/A	N/A	8,457	6,033	6,205
Finance:					
Business Licenses processed:	6,011	6,748	6,739	6,946	6,757
Purchase Orders processed	247	256	250	267	288
Purchase Change Orders processed	110	131	49	57	67
Invoices processed	24,402	13,521	13,930	13,003	11,315
Checks processed	5,900	6,270	6,334	5,886	5,414
Cash Receipts processed (excluding Water)	39,975	41,330	38,646	37,964	39,117

Source: City of El Segundo

CITY OF CITY OF EL SEGUNDO
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2011	2012	2013	2014	2015
Police:					
Arrests	810	826	795	1,468	1,057
Parking citations issued	7,792	8,698	10,900	11,764	9,404
Fire:					
Number of emergency calls	2,314	2,403	2,208	2,485	2,568
Inspections	1,985	2,445	2,411	2,326	2,203
Medical Responses	1,533	1,547	1,441	1,564	1,644
Public Works:					
Street resurfacing (miles)	0.83	-	2	-	-
Reconstruction (miles)	-	-	-	-	-
New Street (miles)	-	-	-	-	-
Electronic Recycling (pounds)	N/A	N/A	N/A	N/A	N/A
Paper Shred Recycling (pounds)	N/A	N/A	17,950	9,220	10,080
Parks and recreation:					
Number of recreation classes	1,362	1,228	1,191	1,365	1,389
Class registrations	8,809	8,026	7,950	7,905	8,021
Recreation Trips participants	840	1,185	1,480	1,560	1,535
Number of facility rentals	262	365	411	496	468
Number of Reservations	9,969	9,971	9,041	9,238	9,342
Shuttles transported (riders)	33,990	30,976	27,472	29,789	30,052
Dial-A-Ride residents	7,693	9,085	11,258	11,090	11,206
Homebound Meals	5,935	5,794	5,007	4,957	4,926
Finance:					
Business Licenses processed:	6,917	7,024	6,686	6,758	5,812
Purchase Orders processed	159	341	428	447	427
Purchase Change Orders processed	21	74	139	129	118
Invoices processed	10,772	9,855	10,008	10,367	10,189
Checks processed	5,068	5,010	5,262	5,529	5,326
Cash Receipts processed (excluding Water)	36,665	36,432	34,120	35,461	35,143

Source: City of El Segundo

CITY OF EL SEGUNDO
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	54.9	54.9	55.1	55.1	55.1
Streetlights	1,700	1,700	1,718	1,718	1,718
Traffic signals	54	54	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	12	13	13	13	13
Number of Acres	84.8	91.2	91.2	91.2	91.2

Source: City of El Segundo

CITY OF EL SEGUNDO
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	2011	2012	2013	2014	2015
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55.1	55.1	55.1	55.1	55.1
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	13	13	13	13
Number of Acres	91.2	91.2	91.2	91.2	91.2

Source: City of El Segundo