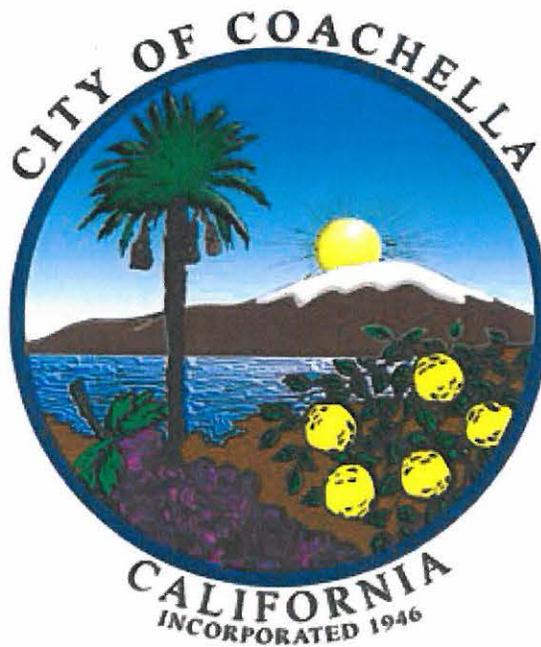


# **CITY OF COACHELLA, CALIFORNIA**



## **Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015**

**City of Coachella, California**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2015**



**Prepared By:**  
**The City of Coachella Finance Department**

**City of Coachella, California  
Comprehensive Annual Financial Report  
For Fiscal Year Ended June 30, 2015**

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**INTRODUCTORY SECTION**



December 18, 2015

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Coachella, California

State law requires that all general-purpose local governments publish each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Coachella for the fiscal year ended June 30, 2015. The City has complied with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. In addition to the customary fund statements included in the CAFR, Statement 34 requires that the City prepare government-wide financial statements, which include a Statement of Net Assets, and a Statement of Activities. These statements are prepared using the accrual basis of accounting, which is consistent with private business accounting, in contrast to the modified basis of accounting that is used in accounting for fund financial statements. In the financial section of this report, the reader is provided with reconciliation statements that will take the reader from the Fund Financial Statement to the Statements of Net Assets and Activities.

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 is 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.

### **CAFR STRUCTURE**

The format and content of this report comply with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board. It is presented in three sections:

#### **Introductory Section:**

The introductory section provides the reader with the organizational structure of the City, its services and operating environment. This section includes a title page, table of contents, a letter of transmittal, an organizational chart, a list of the City of Coachella's elected and appointed officials.

## **Financial Section:**

The financial section presents the City's independent auditor's report on the Basic Financial Statements, the Management's Discussion and Analysis (MD&A), the Basic Financial Statements, the Notes to Financial Statements, the Required Supplementary Information (RSI), and the non-major supplementary schedules.

## **Statistical Section:**

The statistical section provides the reader with additional historical financial data and other information concerning the City.

It is the policy of the City of Coachella to have an annual audit performed by an independent certified public accountant. The independent audit of the City's financial statements for fiscal year ended June 30, 2015, was conducted by Sonnenberg & Company CPA's as appointed by the City Council. The auditor's unqualified opinion on the basic financial statements is included in the Financial Section of this report.

As part of the City's annual audit engagement, the auditors review the city's internal control structure, as well as compliance with applicable laws and regulations. The results of the City's annual audit for fiscal year ended June 30, 2015, provided no instances of material weaknesses in connection with the internal control structure of significant violations of applicable laws and regulations.

As recipients of federal, state and county financial resources, the City of Coachella is required to undergo an annual single audit. When applicable, information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separately issued report.

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

## **PROFILE OF THE CITY OF COACHELLA**

The origin of the name Coachella is unclear but in 1901 the citizens of Woodspur, California voted on a new name for their community. During their town hall meeting the homeowners decided on Coachella as their designation. Coachella began as a 2½ square miles of territory gridded out on the mesquite-covered desert floor of Southern California. In the 1950's Coachella started the process to expand into its present sphere that includes 32 square miles.

In 1946 Coachella incorporated and officially became the "City of Coachella" operating under the general laws of the State of California. At the same time the first City Council was elected during the incorporation voting process. During the progressive 1950s, the city began its evolution towards the economic heights experienced today.

The City is located at the east end of the Coachella Valley approximately 40 miles east of Palm Springs, California. The surrounding area is largely agricultural land to the south; undeveloped land to the east and north; and, urban growth to the west. The communities of Coachella -- including Thermal and Mecca -- include more than 70,000 acres of land irrigated by the Colorado River via a complex canal system. This is where many of California's largest crops of lemons, avocados, figs, persimmons and dates are grown.

Significant changes are occurring within the City and in the surrounding area. Coachella is a small, stable community located in the center of the fastest growing region in the area, the eastern Coachella Valley. The City offers a wealth of opportunity and an unmatched lifestyle for which the whole valley is internationally known. Coachella is one of two cities located in the Coachella Valley with the most developable land.

The "City of Eternal Sunshine - Gateway to the Salton Sea" is largely a young, rural and family-oriented area of the desert. Much of its population is made up of younger Hispanic family groups that enjoy a sense of community and a lifestyle enriched with elements of a proud heritage.

Coachella's population is long established, with a young median age of 25.6, and is growing fast. Coachella's official population was 41,083 at the 2010 census, however according to the California Department of Finance, the estimated population was 43,903 as of May 2015. In addition, Coachella's stability is evidenced by its unusually high rate of nearly 64.5% home ownership, based on available FactFinder Census data for 2009-2013.

The City of Coachella operates under a council-manager format of government which consists of a Mayor, Mayor Pro-Tem, three Councilmembers and the City Manager. The position of Mayor is independently elected every two years, while the position of Mayor Pro-Tem is rotated among the other elected Councilmember's.

Services are also provided to the City and its citizens by contract and by the direct services of other government agencies and organizations, these services include police and fire protection through the County of Riverside, library services through County of Riverside, City promotion through the Coachella Chamber of Commerce, electricity service through the Imperial Irrigation District, refuse collection through Burrtec Waste and Recycling Services, public transit through Sunline Transit Agency, and cable service through Time Warner. The City of Coachella also is financially accountable for all legally separate entities such as; Successor Agency to the Coachella Redevelopment Agency, Coachella Sanitary District, Coachella Water Authority and Coachella Fire Protection District. Additional information on these legally separate entities can be found in the notes to the financial statements.

Pursuant to City ordinance, the City Manager and Finance Director are responsible for the preparation of the annual budget for City Council consideration prior to the start of the fiscal year. The annual budget serves as the foundation for the City of Coachella's financial planning and control.

The City maintains budget controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Special Revenue, Debt Service and Capital Projects Fund are included in the annual appropriated budget. Budgetary amounts for Debt Service, Capital Projects, and certain Special Revenue Funds are adopted annually, however, budgets are considered to be long-term in nature.

The adopted budget for fiscal year 2014-2015 was prepared in accordance with accounting principles generally accepted in the United States of America. As reflected in the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

### **LOCAL ECONOMY**

During the last fiscal year, sales tax revenues, a major source of funds for the City's General Fund reached an annual level of \$4.78 million; an increase of \$1.31 million compared to previous year. The increase was due to an additional 1% Sales Tax (Measure U) approved by the City's voters in the November 2014 primary election. The top five economic segments producing sales taxes were, in descending order, Transportation, Food Products, Business to Business, General Retail, and Construction.

According to the State of California Employment Development Department (EDD), as of June 2015, the total workforce for the City of Coachella is 18,200 of which 16,400 were employed. The unemployment rate was 10.1%.

The General Fund ended the year with a fund balance of \$7.15 million. Of the total \$7.15 million, \$.804 million is non-spendable, \$5.38 million is unassigned.

The management of the City continues to be cautiously optimistic about the economic future of the community. Efforts are continuing to develop the industrial portion of the economic base and to expand the retail and tourism segment. Of continuing concern to the City is its ability to hold down operating costs while maintaining acceptable levels of service. Another concern is the continuing threat to local government by the State of California which continues to transfer state prisoners without adequate funding to local jails which are now exceeding capacity due to AB 109 and AB 117. As a result, prisoners are being released early which is having impacts on Police Departments' operating indicators and the need for increased police presence to protect residents and businesses.

## **MAJOR INITIATIVES**

### **Capital Improvement Projects:**

During fiscal year 2014-2015, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2014-15 fiscal year included: Avenue 52 Grade Separation, street improvements and traffic signs Ave 54, Street Calming Improvements, Traffic Signal Synchronization, Improvement to parks - Bagdouma Park Expansion, Street signal synchronization, and Solar Carport at the City of Coachella Corporate Yard.

### **Economic Development:**

In Coachella, with over 75% of the land as developable territory, and agriculture promoted by recent health initiatives, both are vital threads to the community's economic prosperity. A booming 95% of the country's dates are produced in Coachella and its neighboring cities. Other important agricultural crops available include grapes, citrus, corn, artichokes, peppers, and internationally exported alfalfa.

Coachella saw its population double between 2000 and 2010 and is one of the fastest growing Cities in California, has also seen its profile grow exponentially over the last decade. Residential building permit activity decreased from 24 units in FY 2013/2014 to 21 units in FY 2014/2015, a decrease of 12.50%.

On December 11, City Council approved a proposal to build La Entrada, a 2,200 acre community. According to the [Desert Sun news article](#), this community is expected to become an economic game-changer for the city. Over the next 20 years, the community will add 30,000 residents to Coachella and become the new gateway into the city. The community is planned to include 7,800 homes; retail center with stores, office space and business, and nearly 350 acres of open space for playgrounds, parks and hiking trails with the potential for a new soccer-centric sports venue.

In 2014 and 2015, Coachella Valley Association of Governments (CVAG) initiated a regional Property Assessed Clean Energy (PACE) Program called CV Upgrade and HERO. These programs have jump started construction demand for the City and have put contractors back to work helping home owners save on electricity and by extension reduce the City's greenhouse gas production. These programs provide 100% financing for residential and commercial property owners for energy efficiency, renewable energy, and water conservation improvements which are repayable over the long-term through participants' property tax bill. Besides putting contractors back to work, it lowered electricity cost for homes and businesses that can now be spent elsewhere in our local economy.

The City is conservatively optimistic about imminent economic growth due to a community project like La Entrada; a regional PACE program; and positive news occurring at the State regarding the implementation of the Affordable Care Act; California's recent \$3.5 billion budget surplus due to an improved economy and temporary tax hikes; and, analysts' projections that California's surplus can grow up to \$9.6 billion by 2018.

## **FINANCIAL INFORMATION**

### **Budgetary Controls:**

The City of Coachella requires the City Manager to submit an estimated revenue and proposed expenditure budget for the ensuing year to the City Council on or before the last Council meeting in June. Each department head is responsible for monitoring departmental expenditures incurred compared to appropriations established by the City Council. Oversight functions are provided by the City Manager and the Finance Director through administrative policies and periodic review.

### **Internal Controls:**

The management of the City is responsible for establishing and maintaining an internal control system to ensure that the City's assets are protected from loss, theft, or misuse and to ensure that accurate accounting data is collected to allow for the preparation of financial statements in conformance with generally accepted accounting principles. The City's internal controls provide reasonable, but not absolute assurance that these objectives are met and that the cost of controls does not exceed the benefits derived. Internal controls are continually reviewed by management to ensure compliance with City policies and modified to allow for any changes in the organizational structure. We believe the City's internal control system meets the established objectives of safe-guarding assets and providing assurance that financial transactions are properly recorded and reported.

### **Discretely Presented Component Units:**

The City's legally separate component units include the Coachella Water Authority, Coachella Sanitary District, Coachella Fire Protection District, and the Coachella Financing Authority.

### **General Governmental Functions:**

General Governmental functions include the General Fund, Special Revenue funds, Debt Service funds, Capital Project funds, Trust funds, and component unit enterprise funds.

The City's enterprise operations consist of refuse, water, and sanitary funds. The last two funds fall under the management and control of the City Council acting as Board Members and the Refuse Fund is under the direct management of the City Council,

The Water Fund's operating revenues totaled \$6.79 million and operating expenses totaled \$4.84 million for fiscal year 2014-2015. The Water Fund's net asset balance at June 30, 2015 was \$26.78 million of which \$17.97 million were invested in capital assets net of related debt, \$5.39 million were restricted for construction and \$3.43 million was unrestricted.

The Sanitary Fund's operating revenues totaled \$5.48 million and operating expenses totaled \$4.44 million for fiscal year 2014-2015. The Sewer Fund's net asset balance at June 30, 2015 was \$17.22 million comprising of \$10.67 million invested in capital assets net of related debt, \$6.64 million restricted for construction and \$(.085) million as unrestricted.

**Cash Management:**

The City of Coachella's investment program is governed by the California Government Code Section 53600, et. seq., and the City Investment Policy which is adopted annually by the City Council. The Investment Policy stipulates the hierarchy of investment objectives as safety, liquidity and return.

**Risk Management:**

The City is self-insured for worker's compensation and general liability insurance, and participates in the Public Employees Risk Management Association (PERMA), a consortium of twenty six member agencies located in Riverside, San Bernardino, Imperial and San Diego Counties. The Notes to the Financial Statements provides a more detailed explanation of the City's insurance coverage.

The City's risk management program has enabled the City to minimize its exposure to risk and control the associated costs of providing the program. In addition, an active employee safety training and inspection program has continued to provide a safe work environment.

**AWARDS AND ACKNOWLEDGMENTS**

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 Coachella for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 3<sup>rd</sup> year that the government has achieved this prestigious award. In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Coachella  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Due credit is given to the Mayor and the City Council Members for their support in planning and conducting the operations of our City in a responsible and progressive manner. Recognition is also given to all employees of the City of Coachella who continue to serve our community with commitment and dedication throughout the year, and to the citizens of the City of Coachella, our greatest appreciation for your continued support, input and guidance in helping us serve you better, thus preserving our City's quality of life and reputation for innovation and leadership.

Respectfully Submitted,

David R. Garcia  
City Manager

William B. Pattison Jr.  
Finance Director

# CITY OF COACHELLA

List of Principal Officials  
As of June 30, 2015

City Council - Manager Form of Government

## CITY COUNCIL

Steven Hernandez  
Mayor

MANUEL PÉREZ  
Mayor Pro Tem

BEATRIZ SANCHEZ  
Council Member

EMMANUEL MARTINEZ  
Council Member

MAGDALENA ZEPEDA  
Council Member

## CITY ADMINISTRATION

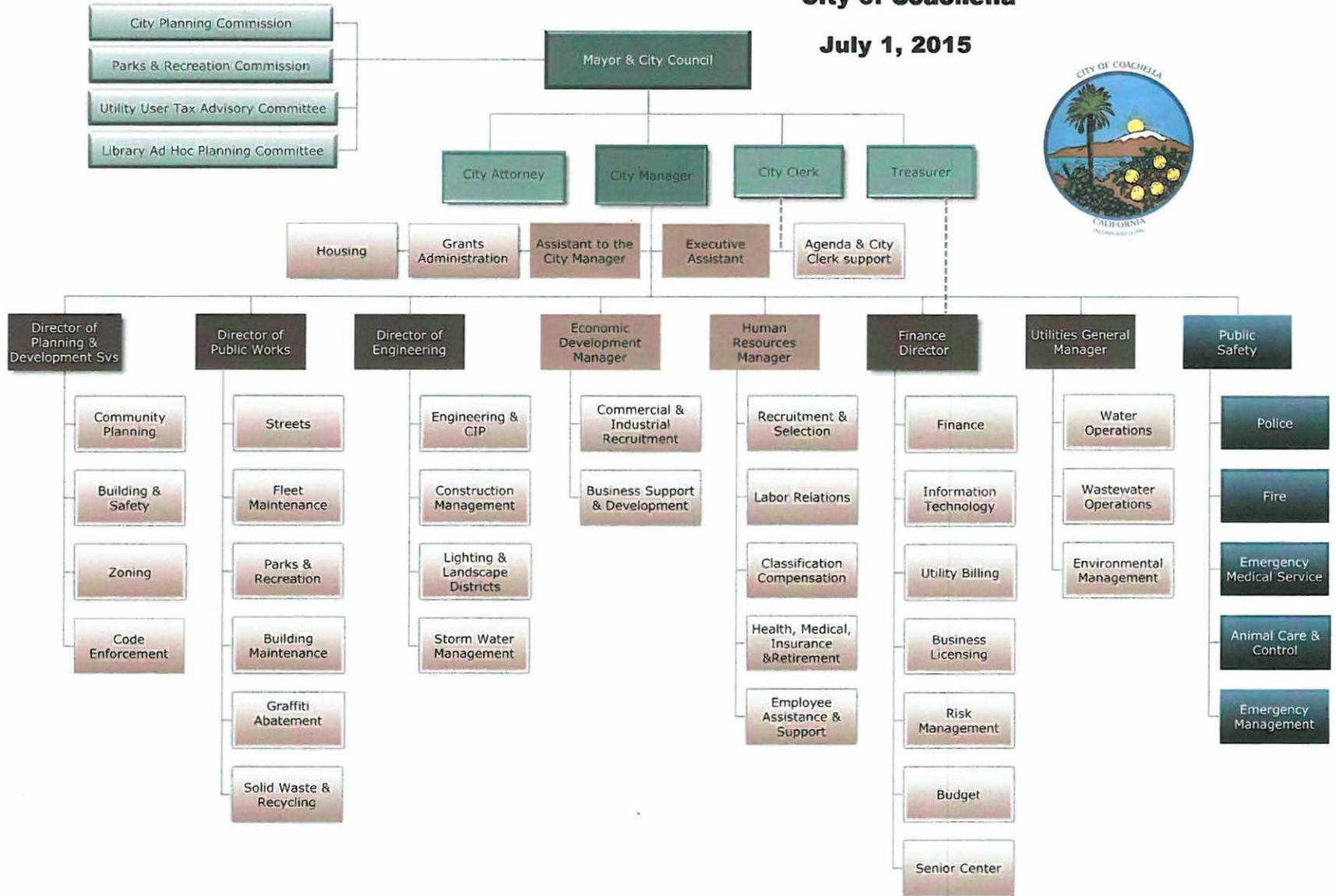
DAVID GARCIA  
City Manager

City Attorney  
City Treasurer  
City Clerk  
Development Services Director  
Finance Director  
Chief Police  
City Engineer  
Fire Chief  
Public Works Director  
Utilities General Manager

Carlos Campos  
Irene DeLeon  
Andrea Carranza  
Luis Lopez  
William B. Pattison  
Andrew Shouse  
Jonathan Hoy  
Bonifacio De La Cruz  
Maritza Martinez  
Kirk Cloyd

# City of Coachella

July 1, 2015



**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Coachella, California

### Reports on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coachella (the "City"), California, as of and for the year ended June 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coachella, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Gas Tax, Indian Gaming Grants SB 621, Development Impact, ECD Entitlement Program, Home Program Income, and Capital Improvement Projects Capital Project Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required the restatement of net position as discussed in Note 1 to the financial statements:

- Statement No. 68, *Financial Reporting for Pensions – an amendment of GASB Statement No. 27.*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*

The emphasis of these matters does not constitute a modification to our opinions.

#### **Other Matters**

##### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis on pages 13-21, the required supplementary information items on pages 73-74, which includes pension schedules. Such information, although not a part of the basic financial statements, is required by 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

December 18, 2015

  
Sonnenberg & Company, CPAs

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The information in this section is not covered by the Independent Auditor's Report, but is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report (CAFR).

As management of the City of Coachella (City), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal. All amounts are expressed in millions of dollars unless otherwise stated.

### Financial Highlights

The assets of the City of Coachella exceeded its total liabilities at the close of the fiscal year by \$199.83 million (*net position*). Of this amount, \$174.85 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$8.90 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$1.72 million between FY 2014 and FY 2015. During the period total revenues equaled \$51.22 million, a decrease of \$.22 million over fiscal year 2014 and expenses totaled \$38.94 million a \$3.02 million increase over the same time period. The governmental activities total net position increased by \$5.65 million and the business-type total net position decreased by \$3.92 million. The increase in the Business-type activities was essentially due to a \$4.68 million prior period adjustment to recognize net pension liability. The increase in the governmental activities was due to a \$2.85 million increase in grants received over fiscal year 2014-15; the major contribution was the City's Avenue 52 Grade Separation capital improvement project, which brought a total of \$15.02 million in grant revenues. In addition, an increase of Sales Tax of \$1.47 million was due the implementation of Measure "U", additional 1% Sales Tax, approved by City's voters in the November 2014 primary election.

The close of the fiscal year 2014-2015, the City of Coachella's governmental funds reported combined ending fund balances of \$18.57 million, a decrease of \$1.90 million in comparison with the prior year. The unassigned fund balance is \$5.38 million. The primary reason for the decrease is because governmental funds report capital outlays as expenditures in the full amount as current financial resources are used.

### Overview of the Financial Statements

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

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

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 as to 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 on this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, highways and streets, economic development, public safety, culture and recreation. The business-type activities of the City include a Water Authority and a Sanitary District.

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

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

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

The City of Coachella maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, state gas tax fund, Indian gaming fund, development impact fund, ECD entitlement fund, HOME program fund and capital projects fund, all of which are considered to be major funds. Data from the eight other funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

**Proprietary funds:** The City of Coachella maintains one type of proprietary funds. *Enterprise funds* are used to report on the same function as presented in *business-type activities* on the government-wide financial statements. The City uses enterprise funds to account for its Water Authority and Sanitation District. Proprietary funds provide the same type of information as the government-wide financial

statements, only in more detail.

**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 statement because the resources of those 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.

**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.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including individual and combining fund schedules.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Coachella, assets exceeded liabilities by \$199.83 million at the close of the fiscal year. By far the largest *portion* of the City's net assets, \$174.85 million reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets and is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted 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.

City of Coachella's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Current and restricted assets	\$ 34,981,609	\$ 37,287,862	\$ 17,167,085	\$ 15,760,482	\$ 52,148,694	\$ 53,048,344
Capital assets	151,848,234	138,894,974	70,905,398	73,327,532	222,753,632	212,222,506
Total Assets	<u>186,829,843</u>	<u>176,182,836</u>	<u>88,072,483</u>	<u>89,088,014</u>	<u>274,902,326</u>	<u>265,270,850</u>
Deferred Outflows of Resources	883,140		964,629	374,771	1,847,769	374,771
Long-term debt outstanding	14,288,514	9,403,751	44,420,395	44,770,119	58,708,909	54,173,870
Other liabilities	11,479,863	12,074,080	4,821,309	1,294,123	8,833,164	13,368,203
Total Liabilities	<u>25,768,377</u>	<u>21,477,831</u>	<u>49,241,704</u>	<u>46,064,242</u>	<u>67,542,073</u>	<u>67,542,073</u>
Deferred Inflows of Resources	1,594,041	-	1,099,506	-	2,693,547	-
Net assets:						
Invested in capital assets,						
Net of related debt	145,593,234	132,455,715	29,253,731	29,190,240	174,846,965	161,645,955
Restricted	4,053,609	3,896,461	12,022,868	11,781,174	16,076,477	15,677,635
Unrestricted	10,703,722	18,352,829	(1,800,780)	2,427,129	8,902,942	20,779,958
Total Net Position	<u>\$ 160,350,565</u>	<u>\$ 154,705,005</u>	<u>\$ 39,475,819</u>	<u>\$ 43,398,543</u>	<u>\$ 199,826,384</u>	<u>\$ 198,103,548</u>

The City's net position increased by \$1.72 million or .87 percent, during the fiscal year; reasons for this increase were given above in the Financial Highlights section.

## City of Coachella's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<b>REVENUES:</b>						
Program Revenues:						
Charges for services	2,242,942	1,824,175	12,275,407	11,672,013	14,518,349	13,496,188
Operating grants and contributions	5,545,347	10,459,364			5,545,347	10,459,364
Capital grants and contributions	15,028,254	12,178,865			15,028,254	12,178,865
General Revenues:						
Property taxes	4,632,924	4,311,535	119,244	78,565	4,752,168	4,390,100
Sales and Use Tax	5,440,994	3,974,472			5,440,994	3,974,472
Gas Tax	951,902	-			951,902	-
Motor Vehicle In Lieu Tax	241,822	223,818			241,822	223,818
Franchise Taxes	722,658	703,314			722,658	703,314
Real Property Transfer Taxes	260,926	149,301			260,926	149,301
Utility Users Tax	2,426,827	2,340,374			2,426,827	2,340,374
Interest and rental income	132,856	106,855			132,856	106,855
Other Revenue	807,923	491,553	138,131	62,092	946,054	553,645
Net transfers	1,528,100	2,860,169	(1,278,100)		250,000	2,860,169
<b>TOTAL REVENUES</b>	<b>39,963,475</b>	<b>39,623,795</b>	<b>11,254,682</b>	<b>11,812,670</b>	<b>51,218,157</b>	<b>51,436,465</b>
<b>EXPENSES</b>						
General government	4,849,757	4,124,482			4,849,757	4,124,482
Public safety	12,338,488	11,189,847			12,338,488	11,189,847
Public works	8,461,080	7,262,906			8,461,080	7,262,906
Parks & recreation	2,504,397	2,376,873			2,504,397	2,376,873
Interest on long-term debt	290,576	296,609			290,576	296,609
Operating expenses			10,492,728	10,662,720	10,492,728	10,662,720
<b>TOTAL EXPENSES</b>	<b>28,444,298</b>	<b>25,250,717</b>	<b>10,492,728</b>	<b>10,662,720</b>	<b>38,937,026</b>	<b>35,913,437</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>11,519,177</b>	<b>14,373,078</b>	<b>761,954</b>	<b>(20,955)</b>	<b>12,281,131</b>	<b>14,352,123</b>
<b>BEGINNING NET POSITION</b>	<b>154,705,005</b>	<b>140,331,927</b>	<b>43,398,543</b>	<b>43,419,498</b>	<b>198,103,548</b>	<b>183,751,425</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(5,873,617)</b>		<b>(4,684,678)</b>	<b>-</b>	<b>(10,558,295)</b>	<b>-</b>
<b>ENDING NET POSITION</b>	<b>\$ 160,350,565</b>	<b>\$ 154,705,005</b>	<b>\$ 39,475,819</b>	<b>\$ 43,398,543</b>	<b>\$199,826,384</b>	<b>\$198,103,548</b>

**Governmental activities:** Governmental activities increased the City's net assets by \$5.65 million. Key elements of this increase are as follows:

While total revenues increased \$.34 million, the city saw an increase in charges for services of \$.42 million, and an increase in sales tax of \$1.47 million. There was a decrease in operating grants of \$4.91 million and an increase of capital grants and contributions of \$2.85 million. The city also experienced a slight increase in property taxes of \$.32 million. Total capital grants were 15.02 million, which made up all of the increase in net position, due to the capitalization of fixed assets created with those funds.

Total expenses from governmental activities increased \$3.19 million during the fiscal year. One of the major increases was seen by Public Safety of \$1.15 million, and was due to an increase of cost of police services with the County of Riverside. In addition, Public Works saw an increase of expenditures of \$1.20 million, and was due to the expansion of parks in the city and the resulting maintenance costs.

**Business-type Activities:** Business-type activities decreased its net position by \$3.92 million. Business-type revenues decreased \$.56 million. The decrease was due to the recognition of net pension liability of \$5.16 million. However, the business-type activities had an increase of Property Taxes of \$.04 million; an increase of Other Revenue of \$.08 million. However, expenses decreased \$.17 million. The decrease was essentially due to a decrease in expenses of the Water Authority of \$.12 million and a decrease of expenses of the Sanitary District of \$.05 million.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Coachella 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.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$18.57 million, a decrease of \$1.90 million in comparison with the prior year. Of the \$18.57 million total, \$.80 million constitutes non spendable reserves, which means that these reserves are not available to fund operating expenditures of the organization; \$4.52 million are restricted fund balances which are the result of external limitations on spending; \$5.39 million are committed fund balances which is the result of self-imposed limitations placed upon the funds by the Governing Board responsible for adopting the fund budget; \$2.48 million are assigned fund balances which are amounts constrained for use of specific purpose; the remainder of \$5.38 million represents unassigned fund balances or the residual net resources after taking into consideration the other classifications.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5.38 million, while the total general fund balance was \$7.15 million. As a measure of the general fund's liquidity, it may be useful to compare the total general fund balance to budgeted expenditures (including transfers out). The total fund balance represents 30.99 percent of the total budgeted expenditures.

The 2014-15 fund balance of the City's general fund is a net total of \$7.15 million which is a decrease of \$.26 million from 2013-2014. General fund revenues are \$16.64 million with expenses at \$17.21 million which is a deficiency of \$.56 million. Other financing sources increased the fund balance by \$.30 million which brings the net change in fund balance for the year to \$.26 million.

The Development Impact Fund (DIF), a special revenue fund, is primarily used to collect development impact fees and fund capital projects. The fund ended the year with a fund balance of \$4.43 million, a decrease of \$1.06 million. The DIF decrease was a direct result of capital project funding.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary funds include the Coachella Water Authority and the Coachella Sanitary District.

Total net position for proprietary funds finished the year at \$39.48 million. The Water Authority accounted for \$24.53 million of this total with the Sanitary District accounting for the remaining \$14.95 million.

The *Coachella Water Authority's* net position decreased \$2.40 million over fiscal year 2013-14. During the year, the Authority had total revenues and other financing sources of \$6.87 million and expenses and other financing uses of \$5.46 million. In addition, the Authority's total revenues/other financing sources increased \$.45 million or 6.9 percent over the previous fiscal year, while expenses/other financing uses decreased \$.04 million or .7 percent.

The *Coachella Sanitary District's* net position decreased \$2.59 million or .72 percent over fiscal year 2013-14. The District had revenues and other financing sources of \$5.66 million and expenses and other financing uses of \$4.71 million. Revenues/other financing sources increased \$.27 million or 5.1 percent while expenses/other financing uses decreased \$.02 million or .30 percent.

### Capital Asset and Debt Administration

**Capital assets:** The City's investment in capital assets for its governmental and business-type activities at June 30, 2015, amounts to \$222.75 million (net of accumulated depreciation). The City invests in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, art work, vehicles and equipment. This amount represents a net increase which includes additions and deletions of \$10.53 million or 7.6 percent over the previous year.

City of Coachella's Capital Assets Net of Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Land	\$ 11,672,573	\$ 11,474,899	\$ 887,772	\$ 887,772	\$ 12,560,345	\$ 12,362,671
Buildings & Improvements	4,948,852	4,121,596	668,577	700,963	5,617,429	4,822,559
Construction In Progress	26,137,565	16,109,981	-	7,584	26,137,565	16,117,565
Equipment	747,839	688,891	2,890,067	2,988,585	3,637,906	3,677,476
Ins frastructure	108,341,407	106,499,612	66,458,984	68,742,630	174,800,391	175,242,242
Totals	\$ 151,848,236	\$ 138,894,979	\$ 70,905,400	\$ 73,327,534	\$ 222,753,636	\$ 212,222,513

#### Governmental activities –

- Improvements to Streets pavement \$473,554
- Avenue 52 Bridge \$13,372,673
- Land & Rights of Way \$197,765
- Traffic Signal Synchronization \$685,783
- Solar Carport \$905,246
- Bagdouma Park Expansion \$ 1,251,600
- 

Additional information on the City of Coachella's capital assets can be found in Footnote 4 to the financial statements.

**Deferred Outflows of Resources:** At the end of the current fiscal year, the City's governmental activities had \$.88 million in deferred amounts form pension related debt compared to \$.69 million the previous year, an increase of \$.20 million or 20 percent.

The Water business type activity had \$.19 million in deferred amounts from refunding of debt compared to \$.20 million the previous year, a decrease of \$.01 million or 5.26 percent. In addition, \$.30 million in deferred amounts from pension related debt compared to \$.24 the previous year, an increase of \$.07 million or 28.53 percent.

The Sanitary business type activity had \$.17 million in deferred amounts from refunding of debt compared to \$.18 the previous year, a decrease of \$.01 or 5.02 percent. In addition, it had \$.31 million in deferred amount from related pension debt compared to \$.24 million previous year, an increase of \$.07 million or 28.53 percent.

The fiduciary fund had \$.044 million in deferred amounts from refunding compared to \$.047 million the previous year, a decrease of \$.003 or 7.14 percent. See independent auditor’s report note 5 Deferred Outflows of Resources.

**Deferred Inflows of Resources:** At the end of the current fiscal year, the City’s governmental activities had \$1.6 million in deferred amounts from pension related debt compared to \$0 the previous year.

The Water business-type activity had \$.55 million in deferred amount from pension related debt compared to \$.0 the previous year.

The Sanitary business-type activity had \$.55 million in deferred amount from pension related debt compared to \$0 the previous year.

The fiduciary fund had \$.565 million of deferred inflows from refunding debt compared to \$0 the previous year.

City of Coachella's Deferred Outflows/Inflows of Resources										
Deferred amounts from	Governmental Activities		Business Type Activities				Fiduciary Type Activities		Total	
			Water		Sanitary					
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<b>Refunding of debt</b>										
Deferred Outflows	\$ -	\$ -	\$ 188,280	\$ 198,740	\$ 167,194	\$ 176,031	\$ 44,413	\$ 47,829	\$ 399,887	\$ 422,600
Deferred Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (564,866)	\$ -	\$ (564,866)	\$ -
<b>Pension Related Debt</b>										
Deferred Outflows	\$ 883,140	\$ 687,105	\$ 303,384	\$ 236,040	\$ 305,771	\$ 237,898	\$ -	\$ -	\$ 1,492,295	\$ 1,161,043
Deferred Inflows	\$ (1,594,041)	\$ -	\$ (547,598)	\$ -	\$ (551,908)	\$ -	\$ -	\$ -	\$ (2,693,547)	\$ -
<b>Totals</b>	<b>(710,901)</b>	<b>687,105</b>	<b>(55,934)</b>	<b>434,780</b>	<b>(78,943)</b>	<b>413,929</b>	<b>(520,453)</b>	<b>47,829</b>	<b>(1,366,231)</b>	<b>1,583,643</b>

**Long-term debt:** At the end of the current fiscal year, the City’s governmental activities had \$14.29 million in bonds, notes payable, contracts, and compensated absences compared to \$15.96 million the previous year, a decrease of \$1.68 million or 10.5 percent. Business type activities had \$47 million in bonds, notes payable, contracts and compensated absences compared to \$48.82 million last year, a decrease of \$1.81 million or 3.72 percent. See independent auditor’s report note 6 Long-Term Liabilities.

**City of Coachella's Long-term Debt**

	Governmental Activities		Business-Type Activities	
	FY 2015	FY 2014	FY 2015	FY 2014
Compensated Absences	\$ 582,524	\$ 539,151	\$ 311,404	\$ 334,254
Certificates of Participacion	6,255,000	6,415,000		
Claims Payable	515,635	583,043		
Net Pension Liability	5,865,264	7,478,855	4,045,624	4,045,624
OPEB obligation	1,070,091	948,424	385,828	300,573
Loans Payable			18,409,819	19,579,843
Revenue bonds and notes			23,851,002	24,557,449
<b>Totals</b>	<b>\$14,288,514</b>	<b>\$15,964,473</b>	<b>\$ 47,003,678</b>	<b>\$48,817,743</b>

	Fudiciary Fund Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014
Compensated Absences	\$ -	\$ -	\$ 893,928	\$ 873,405
Certificates of Participacion			6,255,000	6,415,000
Claims Payable			515,635	583,043
Pension related debt			9,910,888	11,524,479
OPEB obligation			1,455,919	1,248,997
Contracts & leases payable			18,409,819	19,579,843
Revenue bonds and notes	42,940,000	45,375,000	66,791,002	69,932,449
<b>Totals</b>	<b>\$ 42,940,000</b>	<b>\$ 45,375,000</b>	<b>\$ 104,232,191</b>	<b>\$ 110,157,216</b>

**Economic Factors and Next Year's Budget:** The economic rebound that has occurred on Wall Street has started to extend to the housing and real estate market. In areas like Arizona, Texas and Nevada the housing markets have experienced significant increases in home values, in some areas by as much as 30%. California and Riverside County have also experienced a rebound of home sale values. This recovery is viewed with caution in many areas for the following reasons:

- The number of foreclosures on property has slowed. Programs by the Federal Reserve to maintain interest rates at historic lows and widespread refinancing of existing mortgages has eased the pressure on homeowners and allowed many families to stay in homes and continue the debt service on overvalued mortgages.
- Lending both for new mortgages and for new home construction has become very restrictive and standards for borrowers are proving difficult for many consumers and homebuilders. Lenders have become cautious in issuing new debt while they continue to hold billions in undercapitalized loans.

There is concern over the effect on the fragile recovery if the Federal Reserve allows interest rates to increase. This would result in decreasing the number of available buyers and serve as a drag on the recovering housing market.

While dropping, unemployment in Coachella remains at just under 10.1%, as of June 2015. What has helped increase our employment has been the strength and growth of the hospitality and convention industry in the rest of the Coachella Valley. Hotel bookings are up considerably and the Palm Springs Airport has seen record highs in the number of flights and passengers. The fluctuating price of gasoline has made it difficult to accurately forecast sales tax revenues. Several new retail establishments are either

in the process of opening or are under construction and there has been a steady increase in the number of building permits and general construction activity.

The elimination of the Redevelopment Program by the State of California had a devastating impact on our economic development programs and efforts. We lost our economic development staff, our housing program, our downtown redevelopment program, our business incentive programs and our low and moderate income housing programs. We continue to explore ways to strengthen the local economy but are doing so without the financial resources or staff resources we previously relied upon.

**Sales Tax:** The City continues to experience growth in sales tax revenues. The 2014-15 budget projected a 3 percent increase over 2013-14. The largest increases were realized in Furniture/Appliances, Miscellaneous Retail, General Retail, Auto Parts/Repair, Restaurants, and Drug Stores. The City should see an increase with food products and general retail as new commercial centers continue to be developed.

**Revenue Outlook:** The City of Coachella approved a 1% sales tax increase in November, 2014. These additional, voter approved funds, will provide the revenues needed to maintain essential public services, including police and fire. Prior to the tax increase, the fiscal year 2015-16 budget was approved with general fund revenue projections of \$20.75 million providing a balanced budget. Taxes of \$15.27 million and charges for services of \$.58 million are expected to be the major contributors in the fiscal year surplus of \$1.54 million.

**Expenditure Outlook:** Fiscal year 2015-16 will see general fund expenditures budgeted at \$19.2 million. The Public Safety budget continues to dominate with a public safety budget of \$9.58 million, which represents more than 50 percent of the general fund. Assessments from the public safety community facilities district (CFD) offset some of the burden of providing police and fire services to a growing population as well as the Utility User Tax that is expected to provide \$2.7 million in revenue to the general fund.

### **Requests for information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Coachella, 1515 6<sup>th</sup> Street, Coachella California 92236.



**BASIC FINANCIAL STATEMENTS**

**City of Coachella**  
**Statement of Net Position**  
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 17,899,365	\$ 3,670,062	\$ 21,569,427
Accounts Receivable	57,656	1,356,497	1,414,153
Deposits Receivable	192,000		192,000
Loans Receivable, Net	4,952,748		4,952,748
Prepaid Expenses and Deposits	804,798	116,738	921,536
Due from Other Governments	9,776,800	920	9,777,720
Due from Private Purpose Trust Fund	831,197		831,197
Restricted Cash and Investments	467,045	12,022,868	12,489,913
Capital Assets Not Being Depreciated	37,810,139	887,772	38,697,911
Capital Assets, Net of Depreciation	114,038,095	70,017,626	184,055,721
	<u>186,829,843</u>	<u>88,072,483</u>	<u>274,902,326</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount from Refunding of Debt	-	355,474	355,474
Deferred Amount from Pension	883,140	609,155	1,492,295
	<u>883,140</u>	<u>964,629</u>	<u>1,847,769</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	7,712,228	599,713	8,311,941
Deposits and Other Liabilities	1,091,475	412,752	1,504,227
Due to Other Governments	547		547
Unearned Revenue	2,651,887		2,651,887
Interest Payable	23,726	445,643	469,369
Long-term Liabilities:			
Due Within One Year	456,262	2,042,754	2,499,016
Due in More than One Year	13,832,252	44,960,925	58,793,177
	<u>25,768,377</u>	<u>48,461,787</u>	<u>74,230,164</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total Deferred Inflows from Pension	1,594,041	1,099,506	2,693,547
<b>NET POSITION</b>			
Net Investment in Capital Assets	145,593,234	29,253,731	174,846,965
Restricted for:			
Low Income Housing	409,123		409,123
Highways and Streets	3,299,355		3,299,355
Other Purposes	345,131		345,131
Capital Projects		12,022,868	12,022,868
Unrestricted	10,703,722	(1,800,780)	8,902,942
	<u>160,350,565</u>	<u>39,475,819</u>	<u>199,826,384</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Activities**  
For The Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 4,849,757	\$ 995,116	\$ 636,522	\$
Public Safety	12,338,488	601,521	1,824,469	
Public Works	8,461,080	567,991	3,084,356	15,028,254
Parks and Recreation	2,504,397	78,314		
Interest on Long-term Debt	290,576			
<b>Total Governmental Activities</b>	<b>28,444,298</b>	<b>2,242,942</b>	<b>5,545,347</b>	<b>15,028,254</b>
<b>Business-type Activities:</b>				
Water Utility	5,286,149	6,795,227		
Sewer Utility	5,206,579	5,480,180		
<b>Total Business-type Activities</b>	<b>10,492,728</b>	<b>12,275,407</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 38,937,026</b>	<b>\$ 14,518,349</b>	<b>\$ 5,545,347</b>	<b>\$ 15,028,254</b>

**General Revenues:**

- Property Taxes
- Sales and Use Tax
- Gas Tax
- Motor Vehicle In Lieu Tax
- Franchise Taxes
- Real Property Transfer Taxes
- Utility Users Tax
- Investment Income
- Other Revenue
- Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year,  
Cumulative Effect of Change in Accounting Principles (Note 13)

Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,218,119)	\$	\$ (3,218,119)
(9,912,498)		(9,912,498)
10,219,521		10,219,521
(2,426,083)		(2,426,083)
(290,576)		(290,576)
<u>(5,627,755)</u>	-	<u>(5,627,755)</u>
	1,509,078	1,509,078
	273,601	273,601
-	<u>1,782,679</u>	<u>1,782,679</u>
<u>(5,627,755)</u>	<u>1,782,679</u>	<u>(3,845,076)</u>
4,632,924	119,244	4,752,168
5,440,994		5,440,994
951,902		951,902
241,822		241,822
722,658		722,658
260,926		260,926
2,426,827		2,426,827
132,856	138,131	270,987
807,923		807,923
1,528,100	<u>(1,278,100)</u>	<u>250,000</u>
<u>17,146,932</u>	<u>(1,020,725)</u>	<u>16,126,207</u>
11,519,177	761,954	12,281,131
154,705,005	43,398,543	198,103,548
<u>(5,873,617)</u>	<u>(4,684,678)</u>	<u>(10,558,295)</u>
<u>\$ 160,350,565</u>	<u>\$ 39,475,819</u>	<u>\$ 199,826,384</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2015

	Special Revenue			
General Fund	State Gas Tax Fund	Indian Gaming Grants SB 621	Development Impact Fund	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS:</b>				
Cash and Investments	\$ 3,853,208	\$ 2,484,119	\$ 2,651,887	\$ 3,270,209
Receivables:				
Accounts Receivable	57,656			
Deposits Receivable				
Due from Other Governments	1,837,940			
Loans Receivable				
Due from Other Funds	2,990,318			1,294,348
Due from Private-Purpose Trust Fund	831,197			
Prepays and Deposits	804,798			
Restricted assets:				
Cash and Investments with Fiscal Agent				
Total Assets	10,375,117	2,484,119	2,651,887	4,564,557
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 10,375,117	\$ 2,484,119	\$ 2,651,887	\$ 4,564,557
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$ 2,943,497	\$	\$	\$ 45,910
Deposits and Other Liabilities	283,382			93,507
Due to Other Governments				
Due to Other Funds		318,811		
Unearned Revenue			2,651,887	
Total Liabilities	3,226,879	318,811	2,651,887	139,417
Deferred Inflows of Resources	-	-	-	-
<b>Fund Balances:</b>				
Nonspendable	804,798			
Restricted	1,034	2,165,308		
Committed	962,276			4,425,140
Assigned	545			
Unassigned	5,379,585			
Total Fund Balances	7,148,238	2,165,308	-	4,425,140
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,375,117	\$ 2,484,119	\$ 2,651,887	\$ 4,564,557

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2015

Special Revenue		Capital Project		Total
ECD Entitlement Program	HOME Program Income	Capital Improvement Projects	Other Governmental Funds	Governmental Funds
\$	\$ 232,139	\$	\$ 5,407,803	\$ 17,899,365
				57,656
		192,000		192,000
7,717,562			221,298	9,776,800
	3,920,280		1,032,468	4,952,748
		7,745,512	-	12,030,178
				831,197
				804,798
			467,045	467,045
<u>7,717,562</u>	<u>4,152,419</u>	<u>7,937,512</u>	<u>7,128,614</u>	<u>47,011,787</u>
-	-	-	-	-
<u>\$ 7,717,562</u>	<u>\$ 4,152,419</u>	<u>\$ 7,937,512</u>	<u>\$ 7,128,614</u>	<u>\$ 47,011,787</u>
\$	\$	\$ 3,667,648	\$ 1,055,173	\$ 7,712,228
		714,586		1,091,475
			547	547
7,717,287		3,555,278	438,802	12,030,178
	3,920,280		1,032,468	7,604,635
<u>7,717,287</u>	<u>3,920,280</u>	<u>7,937,512</u>	<u>2,526,990</u>	<u>28,439,063</u>
-	-	-	-	-
				804,798
275	232,139		2,125,148	4,523,904
				5,387,416
			2,478,271	2,478,816
			(1,795)	5,377,790
<u>275</u>	<u>232,139</u>	<u>-</u>	<u>4,601,624</u>	<u>18,572,724</u>
<u>\$ 7,717,562</u>	<u>\$ 4,152,419</u>	<u>\$ 7,937,512</u>	<u>\$ 7,128,614</u>	<u>\$ 47,011,787</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2015

Fund Balances of Governmental Funds	\$	18,572,724
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds.		151,848,234
Certain revenues in governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, on the accrual basis they are included as revenue in the government-wide statements.		4,952,748
Deferred Inflows and Outflows		
Deferred outflows related to pensions		883,140
Deferred inflows related to pensions		(1,594,041)
Long-term liabilities are not due and payable in the current period and are not reported in the Funds.		
Interest Payable on Long-term Liabilities		(23,726)
Long-term Liabilities		(14,288,514)
		<hr style="border: 0.5px solid black;"/>
Net Position of Governmental Activities	\$	<u><u>160,350,565</u></u>

The accompanying notes are an integral part of this statement.



**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For The Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue		
		State Gas Tax Fund	Indian Gaming Grants SB 621	Development Impact Fund
<b>REVENUES</b>				
Taxes	\$ 14,047,995		\$	\$
Licenses, Permits and Fees	538,012			
Charges for Services	364,494			
Fines, Forfeitures and Penalties	184,794			
Intergovernmental	188,439	1,247,223	834,219	
Developer Fees				567,991
Special Assessments	834,866			
Investment Income	17,858			45,479
Other Revenue	467,929			
<b>Total Revenues</b>	<b>16,644,387</b>	<b>1,247,223</b>	<b>834,219</b>	<b>613,470</b>
<b>EXPENDITURES</b>				
Current:				
General Government	4,276,846			
Fire				
Police	9,298,234		2,784	
Public Works	1,625,806	969,783		143,018
Parks and Recreation	1,984,820			
Capital Outlay	22,263			
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges				
<b>Total Expenditures</b>	<b>17,207,969</b>	<b>969,783</b>	<b>2,784</b>	<b>143,018</b>
Excess (Deficiency) of Revenues Over Expenditures	(563,582)	277,440	831,435	470,452
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,129,145			350
Transfers Out	(1,827,950)		(831,435)	(1,530,955)
<b>Total Other Financing Sources (Uses)</b>	<b>301,195</b>	<b>-</b>	<b>(831,435)</b>	<b>(1,530,605)</b>
<b>Net Change in Fund Balances</b>	<b>(262,387)</b>	<b>277,440</b>	<b>-</b>	<b>(1,060,153)</b>
Fund Balances, Beginning of Year	7,410,625	1,887,868	-	5,485,293
<b>Fund Balances, End of Year</b>	<b>\$ 7,148,238</b>	<b>\$ 2,165,308</b>	<b>\$ -</b>	<b>\$ 4,425,140</b>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For The Fiscal Year Ended June 30, 2015

Special Revenue		Capital Project		Total
ECD Entitlement Program	HOME Program Income	Capital Improvement Projects	Other Governmental Funds	Governmental Funds
\$	\$	\$	\$ 628,889	\$ 14,676,884
				538,012
			33,055	397,549
14,526,313	108,476		905,027	17,809,697
				567,991
			2,294,917	3,129,783
	1,932		67,587	132,856
		328,347	11,647	807,923
<u>14,526,313</u>	<u>110,408</u>	<u>328,347</u>	<u>3,941,122</u>	<u>38,245,489</u>
				4,664,727
	298,641		89,240	2,970,641
			2,970,641	9,301,018
			2,330,845	5,069,452
				1,984,820
		17,067,515	144,499	17,234,277
			160,000	160,000
			291,109	291,109
<u>-</u>	<u>298,641</u>	<u>17,067,515</u>	<u>5,986,334</u>	<u>41,676,044</u>
<u>14,526,313</u>	<u>(188,233)</u>	<u>(16,739,168)</u>	<u>(2,045,212)</u>	<u>(3,430,555)</u>
		16,739,168	1,972,100	20,840,763
(14,515,196)			(607,127)	(19,312,663)
<u>(14,515,196)</u>	<u>-</u>	<u>16,739,168</u>	<u>1,364,973</u>	<u>1,528,100</u>
11,117	(188,233)	-	(680,239)	(1,902,455)
<u>(10,842)</u>	<u>420,372</u>	<u>-</u>	<u>5,281,863</u>	<u>20,475,179</u>
<u>\$ 275</u>	<u>\$ 232,139</u>	<u>\$ -</u>	<u>\$ 4,601,624</u>	<u>\$ 18,572,724</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
For The Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Governmental Funds \$ (1,902,455)

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

Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.

Capital Outlay	17,234,277
Depreciation	(4,281,017)

Revenues in the Statement of Activities that do not provide current financial resources are not reported in the Funds.	189,886
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Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.

Long-term Debt Principal Payments	160,000
Claims Payable	67,408
Pension Related Debt Payments	215,585
OPEB Obligation	(121,667)

In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This represents the change in compensated absences during the year.	(43,373)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Interest and Fiscal Charges	533
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Change in Net Position of Governmental Activities	\$ 11,519,177
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The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2015

	Business-type Activities		Totals
	Enterprise Funds		
	Water Authority	Sanitary District	
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 3,670,062	\$ -	\$ 3,670,062
Receivables:			
Accounts Receivable, Net	795,190	561,307	1,356,497
Due from Other Governments		920	920
Prepaid Bond Insurance	116,738		116,738
Restricted Assets:			
Restricted Cash and Investments with Fiscal Agent	5,386,096	6,636,772	12,022,868
Total Current Assets	<u>9,968,086</u>	<u>7,198,999</u>	<u>17,167,085</u>
Noncurrent Assets:			
Capital Assets Not Being Depreciated	434,853	452,919	887,772
Capital Assets Being Depreciated	60,056,517	61,860,435	121,916,952
Less: Accumulated Depreciation	<u>(27,591,991)</u>	<u>(24,307,335)</u>	<u>(51,899,326)</u>
Total Noncurrent Assets	<u>32,899,379</u>	<u>38,006,019</u>	<u>70,905,398</u>
Total Assets	<u>42,867,465</u>	<u>45,205,018</u>	<u>88,072,483</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount from Debt Refunding	188,280	167,194	355,474
Deferred Amount from Pension	<u>303,384</u>	<u>305,771</u>	<u>609,155</u>
Total Deferred Outflows of Resources	491,664	472,965	964,629
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	229,586	152,856	382,442
Accrued Wages Payable	109,964	107,307	217,271
Deposits Payable	412,752		412,752
Interest Payable	238,427	207,216	445,643
Compensated Absences - Current Portion	74,633	81,069	155,702
Bonds Payable - Current Portion	472,236	218,032	690,268
Loans Payable - Current Portion		1,195,784	1,195,784
Total Current Liabilities	<u>1,537,598</u>	<u>1,962,264</u>	<u>3,499,862</u>
Noncurrent Liabilities:			
Compensated Absences - Less Current Portion	74,633	81,069	155,702
Net OPEB Obligation	200,462	185,366	385,828
Net Pension Liability	2,014,884	2,030,741	4,045,625
Bonds Payable - Less Current Portion	14,455,404	8,705,330	23,160,734
Loans Payable - Less Current Portion		17,214,036	17,214,036
Total Noncurrent Liabilities	<u>16,745,383</u>	<u>28,216,542</u>	<u>44,961,925</u>
Total Liabilities	<u>18,282,981</u>	<u>30,178,806</u>	<u>48,461,787</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows from Pension	<u>547,598</u>	<u>551,908</u>	<u>1,099,506</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	18,275,123	10,978,608	29,253,731
Restricted for:			
Capital Projects	5,386,096	6,636,772	12,022,868
Unrestricted	<u>867,331</u>	<u>(2,668,111)</u>	<u>(1,800,780)</u>
Total Net Position	<u>\$ 24,528,550</u>	<u>\$ 14,947,269</u>	<u>\$ 39,475,819</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
For The Fiscal Year Ended June 30, 2015

	<b>Business-type Activities</b>		<b>Totals</b>
	<b>Enterprise Funds</b>		
	<b>Water Authority</b>	<b>Sanitary District</b>	
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 5,990,764	\$ 5,137,358	\$ 11,128,122
Connection Charges	258,079	238,414	496,493
Other Revenue	546,384	104,408	650,792
<b>Total Operating Revenue</b>	<b>6,795,227</b>	<b>5,480,180</b>	<b>12,275,407</b>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	1,093,055	1,135,870	2,228,925
Administrative and General	800,100	850,406	1,650,506
Professional Services	317,033	258,188	575,221
Materials and Supplies	439,270	264,839	704,109
Repairs and Maintenance	35,325	125,693	161,018
Utilities	726,517	330,385	1,056,902
Depreciation and Amortization	1,356,074	1,399,609	2,755,683
<b>Total Operating Expenses</b>	<b>4,767,374</b>	<b>4,364,990</b>	<b>9,132,364</b>
<b>Operating Income</b>	<b>2,027,853</b>	<b>1,115,190</b>	<b>3,143,043</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Property Taxes		119,244	119,244
Investment Income	72,988	65,143	138,131
Interest Expense and Fiscal Charges	(518,775)	(841,589)	(1,360,364)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(445,787)</b>	<b>(657,202)</b>	<b>(1,102,989)</b>
<b>Income Before Transfers</b>	<b>1,582,066</b>	<b>457,988</b>	<b>2,040,054</b>
Transfers Out	(694,040)	(584,060)	(1,278,100)
<b>Total Transfers</b>	<b>(694,040)</b>	<b>(584,060)</b>	<b>(1,278,100)</b>
<b>Change in Net Position</b>	<b>888,026</b>	<b>(126,072)</b>	<b>761,954</b>
Total Net Position, Beginning of Year	25,973,682	17,424,861	43,398,543
Cumulative Effect of Change in Accounting Principles	(2,333,158)	(2,351,520)	(4,684,678)
Total Net Position, Beginning of Year, Restated	23,640,524	15,073,341	38,713,865
<b>Total Net Position, End of Year</b>	<b>\$ 24,528,550</b>	<b>\$ 14,947,269</b>	<b>\$ 39,475,819</b>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For The Fiscal Year Ended June 30, 2015

	<b>Business-type Activities</b>		<b>Totals</b>
	<b>Enterprise Funds</b>		
	<b>Water Authority</b>	<b>Sanitary District</b>	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 6,817,363	\$ 5,465,962	\$ 12,283,325
Cash Payments to Suppliers	(2,262,659)	(1,791,564)	(4,054,223)
Cash Payments to Employees for Services	(1,118,536)	(1,153,893)	(2,272,429)
Net Cash Provided (Used) by Operating Activities	<u>3,436,168</u>	<u>2,520,505</u>	<u>5,956,673</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Property Taxes Received		119,244	119,244
Net Cash Provided (Used) by Noncapital Financing Activities		<u>119,244</u>	<u>119,244</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Principal Paid on Long-Term Debt	(499,767)	(1,370,938)	(1,870,705)
Interest Paid on Long-Term Debt	(523,338)	(807,343)	(1,330,681)
Acquisition and Construction of Capital Assets, net	(304,337)		(304,337)
Contributions to/from Other Government	(694,040)	(584,060)	(1,278,100)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,021,482)</u>	<u>(2,762,341)</u>	<u>(4,783,823)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	72,987	65,143	138,130
Net Cash Provided (Used) by Investing Activities	<u>72,987</u>	<u>65,143</u>	<u>138,130</u>
<b>Net Change in Cash and Cash Equivalents</b>	1,487,673	(57,449)	1,430,224
Cash and Cash Equivalents - Beginning of the Year	<u>7,568,485</u>	<u>6,694,221</u>	<u>14,262,706</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 9,056,158</u>	<u>\$ 6,636,772</u>	<u>\$ 15,692,930</u>
Cash and Investments:			
Cash and Investment	\$ 3,670,062	\$ -	\$ 3,670,062
Restricted Cash	5,386,096	6,636,772	12,022,868
Total Cash and Cash Equivalents	<u>\$ 9,056,158</u>	<u>\$ 6,636,772</u>	<u>\$ 15,692,930</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Cash Flows**  
**Proprietary Funds - Continued**  
For The Fiscal Year Ended June 30, 2015

	<b>Business-type Activities</b>		<b>Totals</b>
	<b>Enterprise Funds</b>		
	<b>Water Authority</b>	<b>Sanitary District</b>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income	\$ 2,027,853	\$ 1,115,190	\$ 3,143,043
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,356,074	1,399,609	2,755,683
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	31,354	(14,218)	17,136
Increase (Decrease) in Accounts Payable	55,586	37,947	93,533
Increase (Decrease) in Accrued Payroll	(9,218)	17,710	8,492
Increase (Decrease) in Deposits Payable	(16,825)		(16,825)
Increase (Decrease) in Compensated Absences Payable	23,083	(4,025)	19,058
Increase (Decrease) in Net Pension Liability	(74,060)	(74,642)	(148,702)
Increase (Decrease) in Net OPEB Obligation	42,321	42,934	85,255
 Total Adjustments	 <u>1,408,315</u>	 <u>1,405,315</u>	 <u>2,813,630</u>
 <b>Net Cash Provided By (Used For) Operating Activities</b>	 <u><u>\$ 3,436,168</u></u>	 <u><u>\$ 2,520,505</u></u>	 <u><u>\$ 5,956,673</u></u>
 <b>Noncash Investing, Capital and Financing Activities</b>			
Amortization of (Premium)/Discount on Bonds	<u><u>\$ (35,140)</u></u>	<u><u>\$ 3,430</u></u>	<u><u>\$ (31,710)</u></u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Fiduciary Net Position - Fiduciary Funds**  
June 30, 2015

	Successor Agency Private-Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and Investments	\$ 1,024,765	\$ 2,800,348
Prepaid Bond Insurance	110,923	
Receivables:		
Accounts Receivable, net of allowance of \$400,905	145,955	36,395
Loans Receivable	2,416,805	
Restricted Assets:		
Restricted Cash and Investments	4,570,357	
Land Held for Resale	1,518,209	
Total Assets	9,787,014	\$ 2,836,743
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Bond Refunding Deferred Outflows of Resources	44,413	
<b>LIABILITIES</b>		
Accounts Payable	538	
Pass-through Payable		\$ 2,150,688
Claims Payable		1,410
Due To City of Coachella	831,197	
Due To Refuse Service Provider		35,324
Deposits Payable		649,321
Accrued Interest Payable	766,834	
Long-term Liabilities:		
Due Within One Year	1,470,001	
Due in More than One Year	41,469,999	
Total Liabilities	44,538,569	\$ 2,836,743
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Bond Refunding Deferred Inflows of Resources	564,866	
<b>NET POSITION HELD IN TRUST</b>	<b>\$ (35,272,008)</b>	

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement Of Changes in Fiduciary Net Position - Fiduciary Funds**  
For The Fiscal Year Ended June 30, 2015

	Successor Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Redevelopment Agency Property Tax Trust Fund	\$ 3,243,231
Other Revenues	19,478
Total Contributions	3,262,709
Interest and Investment Revenue	
Use of money and property	165,411
Total Use of Money and Property	165,411
Total Additions	3,428,120
<b>DEDUCTIONS</b>	
Payments Made:	
Payments to City of Coachella	250,000
Total Payments to Other Governments	250,000
Obligation Retirements:	
Interest on Note Payable	2,284,271
Total Obligation Retirements	2,284,271
Administrative Expenses:	
Administrative Expenses	727,135
Total Administrative Expenses	727,135
Total Deductions	3,261,406
Change in Net Position	166,714
Net Position Held in Trust - Beginning	(35,438,722)
Net Position Held in Trust - Ending	\$ (35,272,008)

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

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**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Description of the Reporting Entity**

The City of Coachella (the "City") was incorporated under the general laws of the State of California as a General Law City. The City operates under a Council-Manager form of government, and provides the following services: general administrative services, public safety services, public works, parks and recreation, planning, community development, fire protection, law enforcement services, water, sanitation, and sewer services.

The financial statements of the City of Coachella include the financial activities of the City, the Coachella Water Authority, the Coachella Sanitary District, the Coachella Fire Protection District, the Coachella Financing Authority, In accordance with GASB, the basic criteria for including an agency, institution, authority or other organization in a governmental unit's financial reporting entity is financial accountability. Financial accountability includes, but is not limited to 1) selection of the governing body, 2) imposition of will, 3) ability to provide a financial benefit to or impose financial burden on and 4) fiscal dependency.

There may, however, be factors other than financial accountability that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include scope of public service and special financing relationships.

Based upon the application of these criteria, an agency, institution or authority, may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each blended component unit presented has a June 30 year end. The basis for blending the component units is that their governing bodies are substantively the same as the City's Council and their operations are integral to the primary government. The following is a brief review of each component unit included in the primary government's reporting entity.

Coachella Sanitary District – The Coachella Sanitary District (the District) was created to provide sanitation and sewage treatment services to the City of Coachella. The City provides management assistance to the District and the members of the City Council also act as the governing body of the District. The District's activities are blended with those of the City in these financial statements and are reported as a proprietary fund.

Coachella Water Authority – The Coachella Water Authority (the Authority) was formed on July 1, 2003, under a joint powers agreement. The City of Coachella owns the water enterprise and leases it to the water authority on a 55 year lease. The purpose of the water authority is to provide water service to the citizens of Coachella as well as commercial and agricultural consumers. The City provides management assistance to the District and the members of the City Council also act as the governing body of the District. The Authority's activities are blended with those of the City in these financial statements and are reported as a proprietary fund.

Coachella Fire Protection District – The Coachella Fire District (the Fire District) was created to provide fire protection services to the residents of the City of Coachella. The City provides management assistance to the District and the members of the City Council also act as the governing body of the District. The District's activities are blended with those of the City in these financial statements and are reported as a special revenue fund.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**A) Description of the Reporting Entity – Continued**

Coachella Financing Authority – The Coachella Financing Authority (the Authority) was formed to issue debt, loans and loan proceeds to the District and the City. The Authority is considered a component unit of the District and has been blended into the District’s financial statements for reporting purposes as the services are provided entirely to the District.

Component unit financial statements for each component unit previously described, are available, excluding the Coachella Financing Authority, and may be obtained at 1515 Sixth Street, Coachella, California 92236.

**B) Government-wide and Fund Financial Statements**

The basic financial statements of the City of Coachella have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for governmental accounting and financial reporting purposes.

These statements require that the financial statements described below be presented:

Government-wide Statements: The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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 fee and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a give function or segments 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 that are properly not 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 proprietary funds are reported as separate columns in the fund financial statements.

Net assets, which is equity, is reported in the following categories: net investment in capital assets, represents the City’s equity interest in the capital assets; restricted assets are net assets whose use is not subject to the City’s own discretion; and, unrestricted net assets are the remaining assets. When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then use unrestricted resources as needed.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**B) Government-wide and Fund Financial Statements - Continued**

Fund Financial Statements: Separate financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Fiduciary funds are excluded from the government-wide financial statements.

**C) Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. 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 providers 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore 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 City.

The City reports the following major governmental funds:

The *General Fund* is used to account for all the financial resources of the City, except for those required to be accounted for in another fund.

The *State Gas Tax Fund Special Revenue Fund* is used to account for street improvement and engineering costs. Financing is provided by the City's allocation of State gasoline taxes.

The *Indian Gaming Grants SB 621 Fund* is used to account for revenues received from tribal gaming that impact the City of Coachella and for proposed projects designed to mitigate these impacts.

The *Development Impact Fund* is used to account for funds received to mitigate the impact of new development on the City's infrastructure.

The *ECD Entitlement Program Fund* is used to account for grant funds that are reimbursed by federal and state grant agencies that provide funding programs that are based on selective eligibility criteria.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**C) Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued**

The *HOME Program Income Fund* is used to account for net proceeds from payments of principal and interest on first-time homebuyer loans made with HUD HOME grant funds, and net proceeds from the sale of loans or obligations secured by loans made with HUD HOME grant funds.

The *Capital Improvement Projects Capital Project Fund* is used to account for the capital improvement projects which are financed through the general fund.

The City reports the following major proprietary funds:

The *Water Authority Fund* is used to account for the operations of the City's water distribution systems.

The *Sanitary District Fund* is used to account for the cost of providing sewer services to the general public and the user charges by which these costs are recovered.

Additionally, the City reports the following fund types:

The *Agency Funds* are used to account for money received by the City as an agent for individuals, other government and other entities.

The *Private-Purpose Trust Fund* is a fiduciary fund type used by the City to report trust arrangements under which the principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the former Coachella Redevelopment Successor Agency (Successor Agency).

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Inter-fund services provided and used are not eliminated in the process of consolidation.

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

Proprietary funds distinguish operating revenues and expenses from 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 operation. The principal operating revenues of the City's enterprise funds are charges to customers for services provided. Operating expenses for enterprise 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 use unrestricted resources as they are needed.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**D) Use of Estimates in the Preparation of Financial Statements**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts and disclosures based on estimates and assumptions by Management. Actual results could differ from those estimates.

**E) Cash and Investments**

The City pools idle cash from all funds for the purpose of increasing income through investment activities. In compliance with Governmental Accounting Standards Board No. 31, the City's investments are stated at fair value.

- 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,
  - c) Items subject to involuntary participation in an external pool,
  - 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' balance exceeds the cumulative value of those investments subject to GASB 31;
- 4) The gain/loss resulting from valuation will be reported within the revenue account "Investment Income" on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds. For Proprietary and Fiduciary Fund Types the gain/loss from valuation will be reported within the "Investment Income" account on the Statement of Revenues, Expenses and Changes in Net Position for Proprietary Funds and the Statement of Changes in Fiduciary Net Position for the Fiduciary Fund.

**F) Inter-fund Activity**

In the governmental fund financial statements, 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 inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans).

Noncurrent portions of long-term inter-fund loan receivables are reported as advances and such amounts are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

In the government-wide financial statements, these activities have been eliminated.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**G) Capital Assets and Depreciation**

Capital assets, which include land, structures, equipment, and infrastructure assets, are reported in the government-wide and proprietary funds financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Capital assets purchased in excess of \$5,000 are capitalized if they have an expected useful life in excess of 1 year. Donated capital assets are valued at their estimated fair value at the date of donation.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charges as an expense against operations and accumulated depreciation is reported on the Statement of Net Position.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Assets	Years
Buildings	45 years
Machinery and Equipment	5 - 30 years
Office Equipment	5 - 10 years
Water System Improvements	45 - 65 years
Sewer Improvements	25 - 100 years
Infrastructure	45 - 100 years

**H) Long-term Liabilities**

In the government-wide and proprietary funds financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**  
**I) Fund Balance**

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 government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority. An ordinance constitutes the most binding constraint. Here it would be a resolution to establish or modify a fund balance commitment.

The governing council is the highest level of decision making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has authorized the city manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally do not exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. Further information on the fund balance classifications are noted below.

GASB 54 establishes Fund Balance Classification based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. The Governmental Fund statements conform to this classification information on fund-type definitions as presented. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

*Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The City's considers restricted funds to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

*Committed fund balance* – amounts that can only be used for specific purposes pursuant to formal action of City Council (highest level of decision making authority) through a city charter, ordinances or resolutions. These amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (city ordinance) it employed previously to commit those amounts. This action is taken by a vote of the Council which must be approved by a majority vote. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

*Assigned fund balance* – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the city manager or the appointed designee based on the City's approved policies. The City's assigned fund balance at June 30, 2015 totaled \$2,478,816 for highways and streets.

*Unassigned fund balance* – the residual classification for the City's general fund that includes amounts not contained in the other classifications. The unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**I) Fund Balance - Continued**

Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Spending Policy

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) as they are needed when expenditures are incurred. When unrestricted resources are available for use, it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed for expenditures incurred.

<b>Fund Balances:</b>	General Fund	State Gas Tax	Development Impact Fund	ECD Entitlement Program	HOME Program Income	Non-major Funds	Total
<b>Nonspendable:</b>							
Prepays and Deposits	\$ 804,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 804,798
<b>Restricted for:</b>							
Low Income Housing	1,034				232,139	175,950	409,123
Highways and Streets		2,165,308				1,134,047	3,299,355
Other purposes				275		346,651	346,926
Debt Service						468,500	468,500
<b>Committed to:</b>							
Parks			250,308				250,308
Library			306,882				306,882
Bus Shelter			228,859				228,859
Police Facilities	962,276		463,618				1,425,894
Fire Facilities			634,897				634,897
Other City Facilities			934,169				934,169
Bridge and Grade Separation			1,574,727				1,574,727
Public Arts			31,680				31,680
<b>Assigned to:</b>							
Highways and Streets	545					2,478,271	2,478,816
<b>Unassigned</b>	5,379,585					(1,795)	5,377,790
<b>TOTAL FUND BALANCE</b>	<b>\$7,148,238</b>	<b>\$ 2,165,308</b>	<b>\$ 4,425,140</b>	<b>\$ 275</b>	<b>\$ 232,139</b>	<b>\$ 4,601,624</b>	<b>\$ 18,572,724</b>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**J) New Pronouncements**

In 20015, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The City restated beginning net position as part of implementation of this statement.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resource, and expenses/expenditure. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The following are the major impacts:

- This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.
- The actuarial present value of projected benefit payments is required to be attributed to period of employee service using the entry age actuarial cost method with each period's service cost determined as a level percentage of pay. The actuarial present value is required to be attributed for each employee individually, from the period when the employee first accrues pensions through the period when the employee retires.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* – This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term *government* combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. There was no effect on net position as part of implementation of this standard.

GASB Statement No. 71 – In 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* – The objective of this statement is to address an issued regarding the application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City restated beginning net position as part of the implementation of this statement.

The implementation of the above Statement No.68 required the City to make prior period adjustments. See Note 13 for additional information.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**K) Prepaids**

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

**L) Appropriation Limit**

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangement. For the fiscal year ended June 30, 2015, proceeds of taxes did not exceed appropriations.

**M) Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Water and Sanitary funds consider all cash and investments with original maturities of 90 days or less to be cash or cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

**N) Capital Contributions**

Capital contributions represent cash or utility plant additions contributed to the City by property owners or developers desiring services that require capital expenditures or capacity commitment. All such capital contributions are reflected as revenues. Depreciation of contributed utility plant is charged to operations.

**O) Property Tax Calendar**

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1 - June 30
Due Date	November 1 - 1st Installment February 1 - 2nd Installment
Collection Date	December 10 - 1st Installment April 10 - 2nd Installment

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas prescribed by the state statutes. Accordingly, the City accrues only those taxes which are received from the County within sixty days after year-end.

**P) 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, 2013
Measurement Date (VD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**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 then. The City reports deferred employer pension contributions and other deferred outflows related to the City's pension plans in this category.

In addition to liabilities, the statement of net position or balance sheet 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 City reports two items in this category, unavailable revenue and amounts related to changes in the City's net pension liability that are deferred and amortized over a stated period. Unavailable revenue arises only under a modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the following sources: grant revenues. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Certain changes in the City's net pension liability are required to be deferred and reflected in pension expense over a closed amortization period. The City reported the unamortized net difference between the projected and actual earnings on pension plans as deferred inflows of resources in the government-wide and enterprise funds' statement of net position.

**2) CASH AND INVESTMENTS**

Cash and investments are classified as follows:

Statement of Net Position:	
Governmental Activities:	
Cash and Investments	\$ 17,899,365
Restricted Cash and Investments	467,045
Statement of Net Position:	
Business-type Activities:	
Water Authority:	
Cash and Investments	3,670,062
Restricted Cash and Investments	5,386,096
Sanitary District:	
Restricted Cash and Investments	6,636,772
Fiduciary Activities:	
Statement of Fiduciary Assets:	
Cash and Investments	3,825,113
Cash and Investments with Fiscal Agent	4,570,357
Total Cash and Investments	\$ 42,454,810

Cash and investments consist of the following:

Petty Cash	\$ 2,025
Deposits with Financial Institutions	12,284,072
Investments	30,168,713
Total Cash and Investments	\$ 42,454,810

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**2) CASH AND INVESTMENTS – Continued**

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

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

Authorized Investment Type	Maximum Maturity <sup>(1)</sup>	Maximum Percentage Of Portfolio <sup>(2)</sup>	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	30%	None
U.S. Corporate Bonds	N/A	25%	5%
Banker's Acceptances	270 days	40%	None
Commercial Paper	270 days	15%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Demand Deposits	N/A	None	None
Repurchase Agreements	2 weeks	10%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium - Term Notes	5 years	30%	None
Mutual Funds	N/A	15%	None
Money Market Mutual Funds	N/A	10%	10%
Mortgage Pass-through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (Other Investment Pools)	N/A	None	None

(1) No more than 50% of the portfolio shall have maturity dates in excess of 2 years at any given time.

(2) Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy.

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

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following table that shows the distributions of the City’s investment by maturity:

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**CASH AND INVESTMENTS – Continued**

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Agency Securities	\$ 4,494,268	\$	\$ 2,294,143	\$ 2,200,125	\$
Corporate Bonds	5,287,877		219,360	5,068,517	
Municipal Bonds	356,138	220,519	135,619		
Certificates of Deposit	3,177,005	599,943	2,137,308	439,754	
State Investment Pool - LAIF	6,436,053	6,436,053			
County Investment Pool	155,179	155,179			
U.S. Treasury Notes	4,633,359		114,982	4,518,377	
Money market Funds	213,192	213,192			
Held By Bond Trustee					
Money Market Fund	4,964,404	4,964,404			
Private Debt Obligations	451,238				451,238
<b>Total</b>	<b>\$ 30,168,713</b>	<b>\$ 12,589,290</b>	<b>\$ 4,901,412</b>	<b>\$ 12,226,773</b>	<b>\$ 451,238</b>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating as of year end and for each investment type:

Investment Type		Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End					
				AAA	AA	A	BBB	Not Rated	
Federal Agency Securities	\$ 4,494,268	A		\$ 4,494,268	\$	\$	\$	\$	
Corporate Bonds	5,287,877	A		604,717	1,962,295	2,720,865			
Municipal Bonds	356,138	N/A	356,138						
Certificates of Deposit	3,177,005	N/A						3,177,005	
State Investment Pool - LAIF	6,436,053	N/A						6,436,053	
County Investment Pool	155,179	N/A		155,179					
U.S. Treasury Notes	4,633,359	N/A	4,633,359						
Money Market Funds	213,192	A		213,192					
Held By Bond Trustee:									
Money Market Fund	4,964,404	A		4,964,404					
Certificates of Deposit	451,238	N/A						451,238	
<b>Total</b>	<b>\$ 30,168,713</b>			<b>\$ 4,989,497</b>	<b>\$ 10,431,760</b>	<b>\$ 1,962,295</b>	<b>\$ 2,720,865</b>	<b>\$ -</b>	<b>\$ 10,064,296</b>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**CASH AND INVESTMENTS – Continued**

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total City's investments for the year ended June 30, 2015.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government 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 public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2015, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2015, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

<u>Investment Type</u>	<u>Reported Amount</u>
Money Market Fund	\$ 4,964,404
Certificates of Deposit	\$ 451,238

The collateral for certificates of deposit is generally held in safekeeping by the Federal Home Loan Bank in San Francisco as the third-party trustee. The securities are physically held in an undivided pool for all California public agency depositors. The State Public Administrative Office for public agencies and the Federal Home Loan Bank maintain detailed records of the security pool which are coordinated and updated weekly.

The City Treasurer, at his/her discretion, may waive the 110% collateral requirement for deposits which are insured up to \$250,000 by the FDIC.

**Local Agency Investment fund (LAIF)**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that 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 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).

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**2) CASH AND INVESTMENTS – Continued**

**Custodial Credit Risk – Continued**

The balance available for withdrawal is based is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2015, these investments have an average maturity of 239 days and were not rated.

LAIF’s and the City’s exposure to risk (credit, market or legal) is not currently available.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by Statute. LAIF is also regulated by California Government Code Section 16429.

**Cash with Fiscal Agent**

Cash and investments held and invested by fiscal agents on behalf of the City are pledged for payment or security of certain long-term debt issuances. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested.

**3) LOANS RECEIVABLE**

The City has made long-term rehabilitation and acquisition loans to owner-occupants of substandard homes who would otherwise be unable to obtain sufficient public or private financing to rehabilitate or acquire their homes. The loans are payable upon the sale or change in ownership of property. The long-term loans receivable are deferred in the governmental-funds.

\$ 4,952,748

The Private-Purpose Trust Fund in the Statement of Fiduciary Net Position has receivables from commercial and industrial businesses for improvements and development. These receivables were transferred to the Private-Purpose Trust Fund upon dissolution of the Rural Development Agency on January 31, 2012. These receivables are included in the net position held in trust in the fiduciary fund.

2,416,805

Total Loans Receivable

\$ 7,369,553

Total Loans Receivable – Governmental Funds

\$ 4,952,748

Total Loans Receivable – Private Purpose Trust Funds

2,416,805

Total Loans Receivable

\$ 7,369,553

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**4) CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, Not Depreciated:					
Land	\$ 11,474,899	\$ 197,675	\$	\$	\$ 11,672,574
Construction in Progress	16,109,981	14,637,661		(4,610,077)	26,137,565
Total Capital Assets, Not Depreciated	<u>27,584,880</u>	<u>14,835,336</u>	-	<u>(4,610,077)</u>	<u>37,810,139</u>
Capital Assets Being Depreciated:					
Buildings	7,697,192	905,246		184,010	8,786,448
Machinery and Equipment	7,066,653	166,761			7,233,414
Furniture and Fixtures	6,978				6,978
Infrastructure	155,000,788	1,326,934		4,426,067	160,753,789
Total Capital Assets Being Depreciated	<u>169,771,611</u>	<u>2,398,941</u>	-	<u>4,610,077</u>	<u>176,780,629</u>
Less Accumulated Depreciation:					
Buildings	(3,575,595)	(262,000)			(3,837,595)
Machinery and Equipment	(6,377,765)	(107,812)			(6,485,577)
Furniture and Fixtures	(6,978)				(6,978)
Infrastructure	(48,501,179)	(3,911,205)			(52,412,384)
Total Accumulated Depreciation	<u>(58,461,517)</u>	<u>(4,281,017)</u>	-	-	<u>(62,742,534)</u>
Total Capital Assets Being Depreciated, Net	<u>111,310,094</u>	<u>(1,882,076)</u>	-	<u>4,610,077</u>	<u>114,038,095</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 138,894,974</u>	<u>\$ 12,953,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,848,234</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 302,983
Fire	66,829
Public Works	3,391,628
Parks and Recreation	<u>519,577</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,281,017</u>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**4) CAPITAL ASSETS – Continued**

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
<b>Business-type Activites:</b>					
Capital Assets, Not Depreciated:					
Land	\$ 887,772	\$	\$	\$	\$ 887,772
Construction in Progress	7,584			(7,584)	-
Total Capital Assets Not Depreciated	<u>895,356</u>	-	-	(7,584)	<u>887,772</u>
Capital Assets Being Depreciated:					
Buildings	1,221,306				1,221,306
Machinery and Equipment	12,237,124	304,338		7,584	12,549,046
Infrastructure	108,146,601				108,146,601
Total Capital Assets Being Depreciated	<u>121,605,031</u>	<u>304,338</u>	-	7,584	<u>121,916,953</u>
Less Accumulated Depreciation:					
Buildings	(520,340)	(32,386)			(552,726)
Machinery and Equipment	(9,251,540)	(410,440)			(9,661,980)
Infrastructure	(39,400,975)	(2,283,646)			(41,684,621)
Total Accumulated Depreciation	<u>(49,172,855)</u>	<u>(2,726,472)</u>	-	-	<u>(51,899,327)</u>
Total Capital Assets Being Depreciated, Net	<u>72,432,176</u>	<u>(2,422,134)</u>	-	7,584	<u>70,017,626</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 73,327,532</u>	<u>\$ (2,422,134)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,905,398</u>

Depreciation was charged to functions/programs as follows:

<b>Business-type Activities:</b>	
Water	\$ 1,339,130
Sanitary	<u>1,387,342</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 2,726,472</u>

**5) PENSION RELATED DEBT**

**General Information about the Pension Plans**

**Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police), Miscellaneous (all other), and Miscellaneous Second Tier Employee Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). There are no active employees in the Safety Plan. The City's contributions are currently funding the unfunded liability only. Benefit provisions under the Plans are established by State statute and City 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 Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**5) PENSION RELATED DEBT - 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. Members with five years of total service are eligible to retire at age 50 to 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The City's labor contract with miscellaneous employees require the City to make no contribution for the employee's share of member contributions, employee's in the miscellaneous plan pay the full 8% contribution and employee's in the second tier plan pay the full 7% contribution. The City no longer provides public safety service so there are no employee contributions being made to the plan.

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

	Miscellaneous	
	Prior to July 1, 2002*	On or after July 1, 2002*
Hire date		
eBenefit formula	2% @ 55	2% @ 60
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Required employee contribution rates	7.761%	7.761%
Required employer contribution rates	18.483%	18.483%

	Miscellaneous Second Tier	
	Tier 1	Tier 2
	Prior to July 1, 2013*	On or after January 1, 2014*
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Required employee contribution rates	6.880%	6.880%
Required employer contribution rates	8.049%	8.049%

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**5) PENSION RELATED DEBT - Continued**

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

	<u>Safety</u>
	Prior to
Hire date	<u>July 1, 2012*</u>
Benefit formula	2% @ 50
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50

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

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

		<u>Miscellaneous</u>	
	<u>Miscellaneous</u>	<u>Second Tier</u>	<u>Safety</u>
Contributions employer	536,643	14,338	289,027
Contributions employee	312,035	-	-

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

	<u>Proportionate Share</u>
	<u>of Net Pension Liability</u>
Miscellaneous	6,717,417
Miscellaneous Second Tier	290
Safety	<u>3,193,181</u>
	<u>9,910,888</u>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**5) PENSION RELATED DEBT - Continued**

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

	<u>Miscellaneous</u>	<u>Miscellaneous Second Tier</u>	<u>Safety</u>
Proportion - June 30, 2014	0.10795%	0.00000%	0.05132%

For the year ended June 30, 2015, the City recognized pension expense of \$586,030. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$1,336,402	
Differences between actual and expected experience		
Changes in assumptions		
Net difference between projected and actual on pension plan investments		\$ 2,606,590
Adjustments due to differences in proportion	155,893	86,956
<b>Total</b>	<b>\$1,492,295</b>	<b>\$ 2,693,546</b>

\$1,336,402 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 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:

Year Ended <u>June 30</u>	
2016	\$782,920
2017	627,027
2018	631,950
2019	651,649

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**5) PENSION RELATED DEBT - Continued**

**Actuarial Assumptions**

For the measurement period ended June 30, 2014, the total pension liabilities were determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>All Plans (4)</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Projected Salary Increase	(1)
Investment Return	7.5% (2)
Mortality	Derived using CalPERS' Membership Data for all funds (3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter
Post Retirement Benefit Increase	

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

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

(3) The mortality table used was developed based on CalPERS's specific data. The table includes 2 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

(4) All of the City's plan for Miscellaneous, Miscellaneous Second Tier and Safety employed the same assumptions.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**5) PENSION RELATED DEBT - Continued**

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

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. 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 next table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**5) PENSION RELATED DEBT - Continued**

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

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

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

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

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

	<u>Miscellaneous</u>	<u>Miscellaneous Second Tier</u>	<u>Safety</u>
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	11,010,839	517	5,263,294
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	6,717,417	290	3,193,181
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	3,154,284	102	1,487,498

At June 30, 2015, the City reported no payable for outstanding amounts of contributions to the pension plan required for the year ended June 30, 2015.

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**6) LONG-TERM LIABILITES**

The following is a summary of the changes in long-term liabilities for the year:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences (Note 6)	\$ 539,151	\$ 65,059	\$ 21,687	\$ 582,524	\$ 291,262
Certificated of Participation 2008 Gas Tax COPS	6,415,000		160,000	6,255,000	165,000
Claims Payable	583,043	41,164	108,572	515,635	
Net Pension Liability	7,478,855		1,613,591	5,865,264	-
OPEB Obligation	948,424	150,267	28,600	1,070,091	-
<b>Total</b>	<b>\$ 15,964,473</b>	<b>\$ 256,490</b>	<b>\$ 1,932,450</b>	<b>\$ 14,288,514</b>	<b>\$ 456,262</b>
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-type Activities:</b>					
Compensated Absences (Note 6)	\$ 334,254		\$ 22,850	\$ 311,404	\$ 155,702
Loan Payable	19,579,843		1,170,023	18,409,820	1,195,784
Revenue Bonds					
2005A Wastewater	4,670,000		140,000	4,530,000	145,000
Bond Discounts	(71,175)	3,430		(67,745)	
2005B Wastewater	4,531,217		70,110	4,461,107	73,032
Bond Premium	650,083		35,140	614,943	
2008 Water (USDA)	4,737,324		59,627	4,677,697	62,236
2012 Water (USDA)	10,040,000		405,000	9,635,000	410,000
<b>Total Revenue Bonds</b>	<b>24,557,449</b>	<b>3,430</b>	<b>709,877</b>	<b>23,851,002</b>	<b>690,268</b>
Net Pension Liability	5,158,615		1,112,990	4,045,625	-
OPEB Obligation	300,573	105,296	20,041	385,828	-
<b>Total</b>	<b>\$ 49,930,734</b>	<b>\$ 108,726</b>	<b>\$ 3,035,781</b>	<b>\$ 47,003,679</b>	<b>\$ 2,041,754</b>
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Fiduciary Funds:</b>					
2004 Tax Allocation Bonds, Ser. A	\$ 4,160,000		\$ 4,160,000	\$ -	\$ -
2004 Tax Allocation Bonds, Ser. B	8,075,000		6,390,000	1,685,000	40,001
2006 Tax Allocation Bonds, Ser. A	18,965,000		530,000	18,435,000	555,000
2006 Tax Allocation Bonds, Ser. B	8,900,000		225,000	8,675,000	240,000
2013 Tax Allocation Bonds	5,275,000		380,000	4,895,000	360,000
2014 Tax Allocation Bonds	-	9,250,000		9,250,000	275,000
<b>Total Revenue Bonds</b>	<b>\$ 45,375,000</b>	<b>\$ 9,250,000</b>	<b>\$ 11,685,000</b>	<b>\$ 42,940,000</b>	<b>\$ 1,470,001</b>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**6) LONG-TERM LIABILITES – Continued**

**Loans Payable**

*Business-type Activities:*

On September 26, 2005 the Coachella Sanitary District entered into a loan payable from the State of California Water Resources Control Board. The terms of this loan provide for drawing funds for the expansion of the sewer treatment plant up to \$23,658,615. As of April 2008 the full amount of \$23,658,615 was withdrawn. Repayment of this loan shall be paid in annual installments commencing on the date that is one year after the completion of construction and shall be fully amortized not later than twenty years after completion of construction. The estimated completion date was March 31, 2007 but the project was not completed until April 2008. The interest rate on this note is 2.3%.

\$15,629,213

On September 14, 2011 the Coachella Sanitary District entered into a loan payable from the United States Department of Agriculture. The terms of this loan provide for drawing funds for the expansion of the sewer treatment plant up to \$3,000,000. As of June 30, 2013, \$2,875,606 was withdrawn. Repayment of this loan shall be paid in annual installments through October 1, 2050. The completion date was September 4, 2012. The interest rate on this note is 2.375%.

\$ 2,780,607

Total Loans

\$ 18,409,820

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,195,784	\$ 445,425	\$ 1,641,209
2017	1,222,137	418,330	1,640,467
2018	1,249,096	390,637	1,639,733
2019	1,281,675	362,336	1,644,011
2020	1,309,889	333,351	1,643,240
2021-2025	7,010,888	1,208,006	8,218,894
2026-2030	3,234,744	428,876	3,663,620
2031-2035	365,000	213,584	578,584
2036-2040	410,000	168,577	578,577
2041-2045	465,000	117,931	582,931
2046-2050	520,000	60,931	580,931
2051-2052	145,607	6,916	152,523
Total	<u>\$ 18,409,820</u>	<u>\$ 4,154,900</u>	<u>\$ 22,564,720</u>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**6) LONG-TERM LIABILITES – Continued**

**Revenue Bonds**

*Private Purpose Trust Funds – Fiduciary Funds*

On September 1, 2014, the Successor Agency to the Coachella Redevelopment Agency issues \$9,250,000 of Subordinate Tax Allocation Bonds (Merged Project Areas), Series 2014 to defease the first issuance below dated December 8, 2004 and to partially defease the second issuance dated December 8, 2004 below. The Bonds are payable from pledged tax revenues allocated from the project areas noted above. Interest on the bonds is payable March 1 and September 1 of each year. Interest accrues at rates varying from 2.00% to 5.00% per annum. Principal on these bonds is payable in annual installments ranging from \$210,000 to \$720,000 from September 1, 2015 through September 1, 2030.

\$ 9,250,000

On October 1, 2013, the Successor Agency to the Coachella Redevelopment Agency issues \$5,275,000 Tax Allocation Bonds (Merged Project Areas), Series 2013 to defease prior debt issuances. The Bonds are payable from pledged tax revenues allocated from the project areas noted above. Interest on the bonds is payable March 1 and September 1 of each year. Interest accrues at rates varying from 2.00% to 4.25% per annum. Principal on these bonds is payable in annual installments ranging from \$360,000 to \$385,000 from September 1, 2015 through September 1, 2028.

\$ 4,895,000

On December 8, 2004, the Coachella Financing authority issued \$4,840,000 Tax Allocation Revenue Refunding Bonds, Series 2004A for Project Areas 1 and 2. Concurrently with the issue of these bonds, the Coachella Financing Authority loaned the proceeds to the former Redevelopment Agency pursuant to two (2) loan agreements between the two entities, consisting of one loan each to each Project Area. The loan to Project Area 1 was used to refund the outstanding amount of the Agency’s Project Area 1 Tax Allocation Refunding Bonds of 1994 and to finance on-going redevelopment activities. The loan to Project Area 2 was used to refund the outstanding amount of the Agency’s Project Area 2 Tax Allocation Refunding Bonds of 1994 and to finance on-going redevelopment activities. Interest on the bonds is payable June 1 and December 1 of each year. Interest accrues at rates varying from 1.85% to 5.25% per annum. Principal is payable were to be paid in annual installments ranging from \$65,000 to \$405,000 commencing December 1, 2005 through December 1, 2030.

\$ -

On December 8, 2004, the Coachella Financing Authority issued \$9,625,000 Tax Allocation Revenue Refunding Bonds, Series 2004B for Project Area 4. Concurrently with the issue of these bonds, the Coachella Financing Authority loaned the proceeds to the former Redevelopment Agency pursuant to a loan agreement between the two entities. The loan was made to Project Area 4. The proceeds from the loan to Project Area 4 were used to refund the outstanding amount of the Agency’s Project Area 4 Tax Allocation Refunding Bonds of 1994 and to finance on-going redevelopment activities. Interest on the bonds is payable September 1 and March 1 of each year. Interest accrues at rates varying from 1.80% to 5.25% per annum. Principal is payable in annual installments ranging from \$145,000 to \$680,000 commencing September 1, 2005, through September 1, 2034. At June 30, 2015, the Authority has a cash reserve for debt service of \$159,670 which is sufficient to cover the Bond Indenture Reserve Requirement.

\$ 1,685,000

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**6) LONG-TERM LIABILITES – Continued**

**Revenue Bonds – Continued**

*Private Purpose Trust Funds – Fiduciary Funds:*

On May 9, 2006, the Redevelopment Agency issued \$23,120,000 Tax Allocation Bonds, 2006 Series A for project Areas 1, 2, 3 and 4 (merged for this purpose) to finance on-going redevelopment activities. Interest on the bonds is payable September 1 and March 1 of each year. Interest accrues at rates varying from 3.45% to 5.25% per annum. Principal is payable in annual installments ranging from \$330,000 to \$1,805,000 commencing on September 1, 2006, through September 1, 2036. At June 30, 2015, the Agency has a cash reserve for debt service of \$1,823,513 which is sufficient to cover the Bond Indenture Reserve Requirement. \$18,435,000

On May 9, 2006, the former Redevelopment Agency issued \$10,725,000 Taxable Tax Allocation Housing Set-Aside Bonds, 2006 Series A for project Areas 1, 2, 3 and 4 (merged for this purpose) Low and Moderate Income Housing to finance on-going redevelopment low and moderate income housing activities. Interest is payable September 1 and March 1 of each year. Interest accrues at rates varying from 5.30% to 6.25% per annum. Principal is payable in annual installments ranging from \$125,000 to \$735,000 commencing on September 1, 2006, through September 1, 2036. At June 30, 2015, the Agency has a cash reserve for debt service of \$1,691,624 which is sufficient to over the Bond Indenture Reserve Requirement. \$ 8,675,000

Total Revenue Bonds – Fiduciary Funds \$42,940,000

The future debt requirements of the Fiduciary Funds Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,470,001	\$ 2,150,735	\$ 3,620,736
2017	1,442,106	2,087,939	3,530,045
2018	1,517,106	2,025,532	3,542,638
2019	1,574,211	1,956,769	3,530,980
2020	1,795,264	1,875,512	3,670,776
2021-2025	9,389,216	8,000,122	17,389,338
2026-2030	12,716,325	5,196,528	17,912,853
2031-2035	10,215,771	2,117,523	12,333,294
2036-2037	<u>2,820,000</u>	<u>273,371</u>	<u>3,093,371</u>
<b>Total</b>	<u>\$ 42,940,000</u>	<u>\$ 25,684,031</u>	<u>\$ 68,624,031</u>

**Pledged Future Revenues**

The City pledged future tax revenues associated with its bond issuances for Series 2004, 2006, 2013 and 2014. This comprises all of the debt issued in tax allocation debt in this note above. These debt issuances and pledged tax revenues are reported in the fiduciary funds. The pledged tax revenues are to be used solely for the repayment of principal and interest on the bonds until they are paid in full through 2037 and are not available for other purposes during the duration that the bonds are outstanding which are pledged for the respective bonds. The pledged tax revenues totaled \$3,243,231 for the year ended June 30, 2015. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2015 were approximately \$2,435,000 and \$2,284,271, respectively. The total principal and interest remaining is approximately \$68,624,000 with annual payments expected to require 100% of pledged tax revenues.

**City of Coachella**  
**Notes to Financial Statements**  
**Fiscal Year Ended June 30, 2015**

**6) LONG-TERM LIABILITES – Continued**

**Revenue Bonds – Continued – Business-Type Activities:**

On March 30, 2005, the Coachella Financing Authority issued \$5,725,000 Wastewater Revenue Refunding Bonds, Series 2005A for the Coachella Sanitary District, to advance refund the outstanding amount of the Coachella Sanitary District Wastewater Revenue Refunding Certificates of Participation Series 1995 and to finance on-going capital improvements to the Wastewater Enterprise. Interest is payable October 1 and April 1 of each year. Interest accrues at rates varying from 3.00% to 4.70% per annum. Principal is payable in annual installments ranging from \$105,000 to \$335,000 commencing April 1, 2006, through April 1, 2035. At June 30, 2015, the cash reserve for debt service is \$354,238 which is sufficient to cover the Bond Indenture Reserve Requirement. The District, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2015, the District met the rate covenant as required by the bond indenture.

\$ 4,530,000

On September 26, 2005, the Coachella Financing Authority issued \$5,000,000 Wastewater Revenue Refunding Bonds (USDA), Series 2005B for the Coachella Sanitary District, to finance on-going capital improvements to the Wastewater Enterprise. Interest is payable September 26 and March 26 of each year. Interest accrues at 4.125% per annum. Principal is payable in annual installments ranging from \$50,573 to \$248,591 commencing September 26, 2006, through September 26, 2045.

\$ 4,461,107

On December 13, 2012, the Coachella Water Authority issued \$10,435,000 Water Revenue Bonds, Series 2012 to current refund the outstanding amount of the 2003 Water Revenue Bonds and to finance on-going capital improvements to the water system. Interest on the bonds is payable February 1 and August 1 of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$395,000 to \$3,350,000, commencing February 1, 2013 through August 1, 2033. Concurrently with the issuance of the bonds, a surety policy was purchased in lieu of maintaining a reserve balance. The Authority, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2015, the Authority met the rate covenant as required by the bond indenture.

\$ 9,635,000

On July 16, 2008, the Coachella Water Authority issued \$5,000,000 Water Revenue Bonds (USDA), Series 2008 to finance on-going capital improvements to the Water Enterprise. Interest is payable January 1 and July 1 each year, and accrues at 4.375% per annum. Principal is payable in annual installments ranging from \$48,135 to \$255,746 commencing July 1, 2009, through July 1, 2048.

\$ 4,677,697

Total Revenue Bonds – Business Activities \$23,303,804

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**6) LONG-TERM LIABILITES – Continued**

**Certificates of Participation**

The future debt requirements of the Business-type Activities Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 690,268	\$ 942,433	\$ 1,632,701
2017	711,034	922,717	1,633,751
2018	737,047	902,317	1,639,364
2019	753,315	881,085	1,634,400
2020	774,852	858,875	1,633,727
2021-2025	4,342,487	3,845,820	8,188,307
2026-2030	5,273,178	2,927,218	8,200,396
2031-2035	5,022,818	1,686,084	6,708,902
2036-2040	1,735,217	918,143	2,653,360
2041-2045	2,138,025	523,596	2,661,621
2046-2049	1,125,563	100,220	1,225,783
<b>Total</b>	<b>\$ 23,303,804</b>	<b>\$ 14,508,508</b>	<b>\$ 37,812,312</b>

*Governmental Activities:*

On April 15, 2008, the City of Coachella issued \$7,205,000 Gas Tax Certificate of Participation, Series 2008 A in a joint issue with the City of Indio who simultaneously issued \$7,450,000 for total issue of \$14,655,000 to finance the design, acquisition and construction of projects. Interest is payable June 1 and December 1 of each year. Interest accrues at rates carrying from 4.00% to 4.96% per annum. Principal is payable in annual installments ranging from \$90,000 to \$430,000 commencing June 1, 2009, through June 1, 2037. At June 30, 2015, the Agency has a cash reserve for debt service of \$451,238 which is sufficient to cover the Bond indenture Reserve Requirement.

Total Certificates of Participation – Governmental Activities

\$ 6,255,000

The future debt requirements of the Government Activities Certificates of Participation are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 165,000	\$ 284,708	\$ 449,708
2017	170,000	278,108	448,108
2018	175,000	271,308	446,308
2019	185,000	264,308	449,308
2020	190,000	256,908	446,908
2021-2025	1,085,000	1,157,938	2,242,938
2026-2030	1,350,000	892,732	2,242,732
2031-2035	1,705,000	542,688	2,247,688
2036-2037	1,230,000	118,757	1,348,757
<b>Total</b>	<b>\$ 6,255,000</b>	<b>\$ 4,067,455</b>	<b>\$ 10,322,455</b>

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**7) COMPENSATED ABSENCES**

For governmental fund and proprietary funds, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$582,524 and \$313,404, respectively at June 30, 2015. The City has estimated that for the governmental funds that \$291,262 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the obligation in the liabilities section of the Statement of Net Position in the government-wide financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenditures in the related governmental fund financial statements when used. Upon retirement or termination, the expenditures are recorded in the fund which incurred the original obligation. Compensated absences payable for proprietary funds are reported within the respective funds and the City has estimated that for proprietary funds that \$156,702 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the obligation in the liabilities section of the Statement of Net Position – Proprietary Funds.

**8) INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS**

During the course of normal operations, the City enters into numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying governmental fund financial statements generally reflect such transactions as operating transfers. Inter-fund transactions and inter-fund payables and receivables at year-end are not eliminated in the governmental fund financial statements.

Inter-fund receivables and payables are as follows:

		DUE FROM			
		General Fund	Development Impact Fund	Capital Improvement Capital Project Fund	Total
DUE TO	State Gas Tax	\$ 293,587	\$	\$ 25,224	\$ 318,811
	ECD Entitlement Program	225		7,717,062	7,717,287
	Capital Improvement Projects				
	Capital Project Fund	2,260,930	1,294,348		3,555,278
	Non-major Governmental Funds	435,576		3,226	438,802
	Total	\$ 2,990,318	\$ 1,294,348	\$ 7,745,512	\$ 12,030,178

The Capital Improvement Project Fund has various Capital Projects in construction, funding is provided on a reimbursement inter-fund due to the General Fund from the Capital Improvement Projects Fund, in order to keep these projects in construction they are funded with resources from the General Fund, creating an inter-fund receivable and payable. Currently, there is one inter-fund receivable due to the General Fund from the Capital Improvements Projects Capital Project Fund totaling \$2,260,930 and two inter-fund receivables due to Capital Improvement Projects Capital Project Fund from the ECD Entitlement Program totaling \$1,294,348.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**8) INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

Inter-fund transfers are as follows:

		TRANSFERS OUT								
		GOVERNMENTAL FUNDS				FIDUCIARY FUND	ENTERPRISE FUNDS			
		General Fund	Dev. Impact Fund	ECD Ent. Fund	Indian Gaming Grants SB 621	Non-Major Governmental Funds	Private-Purpose Trust Fund	Coachella Sanitary District	Coachella Water District	Total
T R A N S F E R S	GOVERNMENTAL FUNDS:									
	General Fund	\$ -				\$ 601,045	\$ 250,000	\$ 584,060	\$ 694,040	\$ 2,129,145
	Dev. Impact Fund		350							350
	Capital Improvement Projects		1,530,955	14,515,196	686,935	6,082				16,739,168
	Non-major Governmental Funds	1,827,600			144,500					1,972,100
<b>Total</b>		<b>\$ 1,827,950</b>	<b>\$ 1,530,955</b>	<b>\$ 14,515,196</b>	<b>\$ 831,435</b>	<b>\$ 607,127</b>	<b>\$ 250,000</b>	<b>\$ 584,060</b>	<b>\$ 694,040</b>	<b>\$ 20,840,763</b>

Transfers made from the General Fund to the major governmental funds of \$350 were to cover various expenditures in the Development Impact Fund. Transfers made from the General Fund to the non-major funds of \$1,827,600 in the Fire Protection District of \$1,393,769, and Debt Service Fund – Street Improvement Fund of \$433,831 were to cover various expenditures in those funds. Transfers made to the General Fund of \$2,129,145 from various governmental funds were to cover expenditures for police services and street maintenance.

**9) POST EMPLOYMENT BENEFITS**

**Plan Description**

The City of Coachella’s Retiree Healthcare Plan, (CRHP), provides medical benefits to eligible retired City employees. CRHP is part of the Public Agency portion of the California Employers’ Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees’ Retirement Law. CRHP selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City resolution. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814. The City does not participate in CERBT.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the Council. The City provides a retiree healthcare stipend for medical coverage up to a dollar cap. For 2015, the monthly dollar cap is \$323.50 for management and elected officials and \$135 for confidential mid-management, sanitary and miscellaneous employees.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

9) **POST EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Cost**

For 2015, the City's annual OPEB cost (expense) is calculated based on the annual required contributions of the employer (ARC). The ARC amount was actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 236,927
Interest on Net OPEB Obligation	46,837
Adjustment to Annual Required Contribution	<u>(28,201)</u>
Annual OPEB Cost (Expense)	255,563
Benefits Paid	<u>(48,641)</u>
Increase in Net OPEB Obligation	206,922
Net OPEB Obligation - Beginning of the Year	<u>1,248,997</u>
Net OPEB Obligation - End of the Year	<u><u>\$ 1,455,919</u></u>

The City's net OPEB obligation as of the year ending June 30, 2015 was calculated to be \$1,455,919 by the actuary. The actuarial report is on file in the City's finance department.

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2015 and the two preceding fiscal years are as follows:

Three-Year Trend Information for Credit			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/15	\$ 236,927	20.5%	\$ 1,455,919
6/30/14	\$ 256,434	15.8%	\$ 1,248,997
6/30/13	\$ 319,614	15.8%	\$ 1,010,335

**Funding Status and Funding Progress**

The funded status of the plan as of June 30, 2015, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,191,979
Actuarial Value of Plan Assets	\$ 0
Unfunded Actuarial Accrued Liability (UALL)	\$ 2,191,979
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 5,063,737
UAAL as a Percentage of Covered Payroll	43.29%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**9) POST EMPLOYMENT BENEFITS – Continued**

The schedule of funding progress, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

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

The following is a summary of the actuarial assumptions and method

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal Cost Method
Normal Cost	Level Dollar Amount
Remaining Amortization Period	25 Years for expected UAAL and 25 years for accumulated deficiency at valuation date
Asset Valuation Method	Not Applicable - Plan is unfunded
Actuarial Assumptions:	
General Inflation	2.75%
Investment Rate of Return	3.75%
Projected Salary Increase	Not Applicable
Healthcare Cost Trend Rate	5.00% a year until benefits reach maximums of \$647 and \$270 for management and other employees respectively.
Amortization Method	Level Dollar Amount

**10) RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and emissions; and natural disasters. The City is a member of the Public Entity Risk Management Authority (PERMA) formerly Coachella Valley Joint Powers Insurance Authority (CVJPIA), a joint powers authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. The Authority is currently comprised of thirty-four participating member agencies.

The City participates in the liability, worker’s compensation, employment practices and property insurance programs of PERMA.

The City is self-insured for the first \$125,000, \$250,000 and \$25,000 of each occurrence or accident in the liability, workers’ compensation and employment practices programs respectively. For property insurance the City is self-insured for the first \$5,000 per occurrence except as follows: \$100,000 for flood, 24 hour service interruption. Excess costs above the self-insured amounts are shared between participating members based on their respective deposit premium contributions and in accordance with PERMA policies.

During the past three fiscal (policy) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured coverage from the prior year.

Complete financial statement may be obtained from the Public Entity Risk Management Authority at 77-670 Springfield Lane, Suite 1A, Palm Desert, CA 92211.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**10) RISK MANAGEMENT – Continued**

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At June 30, 2015, the amount of these liabilities was \$515,635. This liability is the City’s best estimate based on available information.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30, 2015	Year Ended June 30, 2014
Claims payable, beginning of fiscal year	\$ 583,043	\$ 363,466
Current year claims and changes in estimates	41,164	227,268
Claims payments	(108,572)	(7,691)
Claims payable, end of fiscal year	<u>\$ 515,635</u>	<u>\$ 583,043</u>

**11) COMMITMENTS AND CONTINGENCIES**

The City is a defendant in various legal actions. Management believes that the ultimate resolution of these actions will not have a significant effect on the City’s financial position or results of operations.

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

At June 30, 2015, in the opinion of the City’s management, there are no outstanding matters which could have a significant effect on the financial position of the City.

**12) JOINT VENTURES**

In April of 1990 the City of Coachella, along with the City of Indio and the County of Riverside’s Economic Development Agency, entered into a Joint Powers Agreement forming the Coachella Valley Enterprise Zone Authority (CVEZA). The agreement created a separate public agency formed and established pursuant to the Enterprise Zone Act of California Government Code Section 7070. CVEZA is established as a separate public agency from the parties forming the Authority. The purpose of the Authority is to manage, coordinate, market and administer economic development programs and projects within the CVEZA’s boundaries.

Each member of CVEZA designates one representative from its governing body and an alternate member, each authorized to act as its Executive Committee member. The CVEZA is financed by mandatory contributions and voluntary contributions from each member annually. The mandatory contribution for each member is \$100,000 annually. Voluntary contributions are determined by projects approved by members of the Executive Committee and the governing body of each party.

The mandatory contributions are to be used for administrative and other matter of general benefit to all members. Separate financial statements may be obtained from the Coachella Valley Enterprise Zone Authority at 53-990 Enterprise Way, Suite 13, Coachella Valley, CA 92236.

Members of CVEZA may withdraw upon serving written notification at least 180 days prior to the close of any fiscal year. Upon withdrawal, members are required to contribute the “mandatory contribution” in the fiscal period of withdrawal and any ongoing “voluntary contributions” for which the member is involved. Unless CVEZA is dissolved, the withdrawing member does not receive any assets.

**City of Coachella**  
**Notes to Financial Statements**  
Fiscal Year Ended June 30, 2015

**13) Cumulative Effect of Change in Accounting Principle and Prior Period Adjustment**

GASB 68 became effective for the year ended June 30, 2015. As a result of this standard being implemented, prior period adjustments were necessary to correct prior year end net position in government-wide and proprietary funds. As a result of implementing this standard it became necessary to write-off the prior year-end recorded balance that was recorded in error from the Side-Fund Pension Related Debt in the government-wide statements which totaled \$918,133. This prior period adjustment to remove the existing pension related debt increased net position by \$918,133 at June 30, 2014. The cumulative effect of implementing GASB 68 for pension related debt under that standard, decreased net position in government-wide and proprietary funds by \$6,791,750 and \$4,684,678, respectively, increased deferred outflows –contributions for \$687,105 and \$473,898 respectively and increased net pension liability of \$\$7,478,855 and \$5,158,616, respectively.

**14) OTHER INFORMATION**

**Future Government Accounting Standards Board (GASB) Statements**

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

GASB Statement No. 72: - *Fair Value Measurement and Application*. These provisions are effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 73: - *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. These provisions are effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 74: - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. These provisions are effective for financial statements for periods beginning after June 15, 2016.

GASB Statement No. 75: - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. These provisions are effective for financial statements for periods beginning after June 15, 2017.

GASB Statement No. 76: - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. These provisions are effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 77: - *Tax Abatement Disclosures*. These provisions are effective for financial statements for periods beginning after December 15, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Coachella**  
**Required Supplementary Information**  
For The Fiscal Year Ended June 30, 2015

**COST-SHARING MULTIPLE-EMPLOYER DEFINED PENSION PLAN – LAST 10 YEARS\***

**SCHEDULE OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

	<u>Miscellaneous</u>	<u>Miscellaneous Second Tier</u>	<u>Safety</u>
Plan's proportion of the Net Pension Liability (Asset)	0.10795%	0.00000%	0.05132%
Plan's proportionate share of the Net Pension Liability (Asset)	6,717,417	290	3,193,181
Plan's covered employee payroll	4,555,105	100,956	N/A
Plan's proportionate share of the Net Pension Liability (Asset) as a percentage of payroll	147.47%	0.299%	N/A
Net Position as a Percentage of the Plan's Total Pension Liability	79.24%	83.03%	79.34%

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

Notes to Schedule:

Benefit Changes. None.

Changes in assumptions None.

**City of Coachella**  
**Required Supplementary Information**  
For The Fiscal Year Ended June 30, 2015

**Schedule of the City's Contributions**

For the Year Ended June 30, 2015

	<u>Miscellaneous</u>	<u>Miscellaneous Second Tier</u>	<u>Safety</u>
Actuarially Determined Contribution	848,678	14,338	298,027
Contributions in Relation to the Actuarially Determined Contribu	(848,678)	(14,338)	(298,027)
Contribution Deficiency (Excess)	-	-	-
Covered-Employee Payroll	4,555,105	100,956	N/A
Contributions as a Percentage of Covered-Employee Payroll	18.63%	14.20%	N/A

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: None

**Schedule of Funding Progress for CRHP**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Liability (AAL) Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UUAL as a Percentage of Covered Payroll [(B-A)/C]</u>
06/30/13	\$ -	\$ 2,019,949	2,019,949	0%	\$ 5,294,179	38.2%
06/30/14	\$ -	2,216,981	2,216,981	0%	\$ 5,113,231	43.4%
06/30/15	\$ -	2,191,979	2,191,979	0%	\$ 5,063,737	43.3%

**City of Coachella**  
**Required Supplementary Information**  
For The Fiscal Year Ended June 30, 2015

**BUDGETARY INFORMATION:**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Council meetings to obtain taxpayer comments.
3. Prior to July 1<sup>st</sup>, the budget is adopted by Council action. The budget includes amounts for revenues that, along with the appropriations, compute the budgetary fund balance.
4. The City Manager is authorized to transfer appropriated funds between major expenditure categories within departments. However, any revisions that alter the total appropriations of any department must be approved by the City Council. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
6. Budgets for the governmental funds are adopted on basis substantially consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council.

The General Fund, State Gas Tax Special Revenue Fund, Indian Gaming Grants SB 621 Special Revenue Fund, Development Impact Special Revenue Fund, ECD Entitlement Program Special Revenue Fund and HOME Program Income Special Revenue Fund, all are major funds, have legally adopted budgets. The original budget, the final budget and actual amounts are presented on the following pages for General Fund, Gas Tax Special Revenue Fund, Indian Gaming Grants SB 621 Special Revenue Fund, Development Impact Special Revenue Fund, ECD Entitlement Program Special Revenue Fund and HOME Program Income Special Revenue Fund.

The Capital Improvement Projects Capital Project Fund, a major fund, has a legally adopted budget. The capital project fund budgetary schedule is presented in the supplementary information section.

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,895,210	\$ 12,895,210	\$ 14,047,995	\$ 1,152,785
Licenses, Permits and Fees	505,395	505,395	538,012	32,617
Charges for Services	313,321	313,321	364,494	51,173
Fines, Forfeitures and Penalties	93,000	93,000	184,794	91,794
Intergovernmental Revenue	345,000	345,000	188,439	(156,561)
Special Assessments	710,000	710,000	834,866	124,866
Investment Income	20,000	20,000	17,858	(2,142)
Other Revenue	230,000	230,000	467,929	237,929
	<u>15,111,926</u>	<u>15,111,926</u>	<u>16,644,387</u>	<u>1,532,461</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,324,876	3,324,876	4,276,846	(951,970)
Public Safety	8,401,728	8,401,728	9,298,234	(896,506)
Public Works	1,740,699	1,740,699	1,625,806	114,893
Parks and Recreation	1,763,875	1,763,875	1,984,820	(220,945)
Capital Outlay	-	-	22,263	(22,263)
	<u>15,231,178</u>	<u>15,231,178</u>	<u>17,207,969</u>	<u>(1,976,791)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(119,252)</u>	<u>(119,252)</u>	<u>(563,582)</u>	<u>3,509,252</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,959,061	2,959,061	2,129,145	(829,916)
Transfers Out	<u>(2,876,609)</u>	<u>(2,876,609)</u>	<u>(1,827,950)</u>	<u>1,048,659</u>
Total Other Financing Sources (Uses)	<u>82,452</u>	<u>82,452</u>	<u>301,195</u>	<u>218,743</u>
Net Change in Fund Balances	<u>\$ (36,800)</u>	<u>\$ (36,800)</u>	(262,387)	<u>\$ 3,727,995</u>
Fund Balance, Beginning of Year			<u>7,410,625</u>	
Fund Balance, End of Year			<u>\$ 7,148,238</u>	

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - State Gas Tax Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 1,071,300	\$ 1,071,300	\$ 1,247,223	\$ 175,923
Investment Income	500	500	-	(500)
Total Revenues	1,071,800	1,071,800	1,247,223	175,423
<b>EXPENDITURES</b>				
Current:				
Public Works	1,071,800	1,071,800	969,783	102,017
Total Expenditures	1,071,800	1,071,800	969,783	102,017
Excess (Deficiency) of Revenues over Expenditures	-	-	277,440	277,440
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	277,440	\$ 277,440
Fund Balances, Beginning of Year			1,887,868	
Fund Balance, End of Year			\$ 2,165,308	

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Indian Gaming Grants SB 621 Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ -	\$ -	\$ 834,219	\$ 834,219
Investment Income		-	-	-
Total Revenues	-	-	834,219	834,219
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	2,784	(2,784)
Total Expenditures	-	-	2,784	(2,784)
Excess (Deficiency) of Revenues Over Expenditures	-	-	831,435	831,435
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(3,820,336)	(3,820,336)	(831,435)	2,988,901
Total Other Financing Sources (Uses)	(3,820,336)	(3,820,336)	(831,435)	2,988,901
Net Change in Fund Balances	<u>\$ (3,820,336)</u>	<u>\$ (3,820,336)</u>	-	<u>\$ 3,820,336</u>
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Development Impact Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Developer Fees	\$ 2,109,617	\$ 2,109,617	\$ 567,991	\$(1,541,626)
Investment Income	8,700	8,700	45,479	36,779
Total Revenues	<u>2,118,317</u>	<u>2,118,317</u>	<u>613,470</u>	<u>(1,504,847)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	190,542	190,542	143,018	47,524
Total Expenditures	<u>190,542</u>	<u>190,542</u>	<u>143,018</u>	<u>47,524</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,927,775</u>	<u>1,927,775</u>	<u>470,452</u>	<u>(1,457,323)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	350	(350)
Transfers Out	(1,651,712)	(1,651,712)	(1,530,955)	120,757
Total Other Financing Sources (Uses)	<u>(1,651,712)</u>	<u>(1,651,712)</u>	<u>(1,530,605)</u>	<u>120,757</u>
Net Change in Fund Balances	<u>\$ 276,063</u>	<u>\$ 276,063</u>	(1,060,153)	<u>\$(1,336,566)</u>
Fund Balance, Beginning of Year			<u>5,485,293</u>	
Fund Balance, End of Year			<u>\$ 4,425,140</u>	

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - ECD Entitlement Program Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 41,945,823	\$ 41,945,823	\$ 14,526,313	\$(27,419,510)
Total Revenues	<u>41,945,823</u>	<u>41,945,823</u>	<u>14,526,313</u>	<u>(27,419,510)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>41,945,823</u>	<u>41,945,823</u>	<u>14,526,313</u>	<u>(27,419,510)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(35,565,823)</u>	<u>(35,565,823)</u>	<u>(14,515,196)</u>	<u>21,050,627</u>
Total Other Financing Sources (Uses)	<u>(35,565,823)</u>	<u>(35,565,823)</u>	<u>(14,515,196)</u>	<u>21,050,627</u>
Net Change in Fund Balances	<u>\$ 6,380,000</u>	<u>\$ 6,380,000</u>	11,117	<u>\$ (6,368,883)</u>
Fund Balance, Beginning of Year			<u>(10,842)</u>	
Fund Balance, End of Year			<u>\$ 275</u>	

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - HOME Program Income Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenue	\$ -	\$ -	\$ 108,476	\$ 108,476
Investment Income			1,932	1,932
Total Revenues	<u>-</u>	<u>-</u>	<u>110,408</u>	<u>110,408</u>
<b>EXPENDITURES</b>				
Current:				
General Government	<u>467,558</u>	<u>467,558</u>	<u>298,641</u>	<u>168,917</u>
Total Expenditures	<u>467,558</u>	<u>467,558</u>	<u>298,641</u>	<u>168,917</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(467,558)</u>	<u>(467,558)</u>	<u>(188,233)</u>	<u>279,325</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (467,558)</u>	<u>\$ (467,558)</u>	<u>(188,233)</u>	<u>\$ 279,325</u>
Fund Balance, Beginning of Year			<u>420,372</u>	
Fund Balance, End of Year			<u>\$ 232,139</u>	

The accompanying notes are an integral part of this statement.

**SUPPLEMENTARY INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS**

**City of Coachella**  
**Non-major Governmental Funds**

**Special Revenue Funds:**

**Air Quality Improvement** – used to account for revenues received under AB 2766 restricted for reduction of air pollution.

**Local Transportation** - used to account for revenue that is received from the Riverside County Transportation Commission (RCTC) and used for projects related to their Measure “A” and “TUMF” funding programs.

**Landscape and Lighting District** – used to account for special assessments levied on real property and expenditures to provide landscaping and street lighting maintenance for certain districts formed within the City.

**Fire Protection District** – used to account for receipts collected that are restricted for fire protection district expenditures.

**CAL HOME Program Income** – used to account for the net proceeds from payments of principal and interest on first-time homebuyer loans, and net proceeds from the sale of loans or obligations secured by loans made with CAL HOME grant funds.

**CDBG Program Income** – used to account for the net proceeds from the sales of homes from State of California Department of Housing and Community Development (HCD). CDBG grant funds loaned to City property owners to rehabilitate their homes, and then later repaid upon transfer or sale of their properties.

**HOME Admin Program Income** – used to account for the net proceeds from payments of principal and interest on loans made with HUD HOME dollars passed through by HCD used to administer HOME Program Income, and proceeds from the sale of loans or obligations secured by loans made with HUD HOME dollars used to administer the HOME Program Income Fund.

**Debt Service Fund:**

**Street Improvement Fund** – Used to account for payments of principal and interest for debt obligations incurred by the City for street improvements.



**City of Coachella**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2015

	Special Revenue			
	Air Quality Improvment	Local Transportion	Landscape & Lighting District	Fire Protection District
Assets and Deferred Outflows Of Resources				
Assets:				
Cash and Investments	\$ -	\$ 986,648	\$ 2,633,685	\$ 846,621
Receivables:				
Loans Receivable				
Due from Other Funds				
Due from Other Governments	14,205	153,482	14,692	21,788
Restricted Assets:				
Cash with Fiscal Agent				
Total Assets	<u>\$ 14,205</u>	<u>\$ 1,140,130</u>	<u>\$ 2,648,377</u>	<u>\$ 868,409</u>
Deferred Outflows of Resources	-	-	-	-
Liabilities, Deferred Inflows of Resources, And Fund Balances				
Liabilities:				
Accounts Payable & Accrued Liabilities	\$ 12,800	\$ 3,742	\$ 170,106	\$ 868,409
Due to Other Funds	3,200			
Due to Other Governments		547		
Unearned Revenue				
Total Liabilities	<u>16,000</u>	<u>4,289</u>	<u>170,106</u>	<u>868,409</u>
Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Low Income Housing				
Highways and Streets		1,135,841		
Other Purposes				
Debt Service				
Assigned - Highways and Streets			2,478,271	
Unassigned	(1,795)			
Total Fund Balances	<u>(1,795)</u>	<u>1,135,841</u>	<u>2,478,271</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,205</u>	<u>\$ 1,140,130</u>	<u>\$ 2,648,377</u>	<u>\$ 868,409</u>

**City of Coachella**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2015

	Special Revenue			Debt Service	Total Non-Major Governmental Funds
	CAL HOME Program Income	CDBG Program Income	Home Admin Program Income	Street Improvement Fund	
Assets and Deferred Outflows Of Resources					
Assets:					
Cash and Investments	\$ 175,950	\$ 132,341	\$ 198,727	\$ 433,831	\$ 5,407,803
Receivables:					
Loans Receivable	498,805	533,663			1,032,468
Due from Other Funds					-
Due from Other Governments		17,131			221,298
Restricted Assets:					
Cash with Fiscal Agent				467,045	467,045
 Total Assets	 <u>\$ 674,755</u>	 <u>\$ 683,135</u>	 <u>\$ 198,727</u>	 <u>\$ 900,876</u>	 <u>\$ 7,128,614</u>
Deferred Outflows of Resources	-	-	-	-	-
Liabilities, Deferred Inflows of Resources, And Fund Balances					
Liabilities:					
Accounts Payable & Accured Liabilities	\$ -	\$ -	\$ 116	\$ -	\$ 1,055,173
Due to Other Funds		3,226		432,376	438,802
Due to Other Governments					547
Unearned Revenue	498,805	533,663			1,032,468
 Total Liabilities	 <u>498,805</u>	 <u>536,889</u>	 <u>116</u>	 <u>432,376</u>	 <u>2,526,990</u>
Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Restricted for:					
Low Income Housing	175,950				175,950
Highways and Streets					1,135,841
Other Purposes		146,246	198,611		344,857
Debt Service				468,500	468,500
Assigned - Highways and Streets					2,478,271
Unassigned					(1,795)
 Total Fund Balances	 <u>175,950</u>	 <u>146,246</u>	 <u>198,611</u>	 <u>468,500</u>	 <u>4,601,624</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 674,755</u>	 <u>\$ 683,135</u>	 <u>\$ 198,727</u>	 <u>\$ 900,876</u>	 <u>\$ 7,128,614</u>

**City of Coachella**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
For The Fiscal Year Ended June 30, 2015

	Special Revenue			
	Air Quality Improvment	Local Transportion	Landscape & Lighting District	Fire Protection District
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 628,889
Charges for Services				33,055
Intergovernmental	53,908	601,941		
Special Assessments			1,783,225	511,692
Investment Income	110	6,842	29,954	5,615
Other Revenue				11,647
<b>Total Revenues</b>	<u>54,018</u>	<u>608,783</u>	<u>1,813,179</u>	<u>1,190,898</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
Fire				2,970,641
Public Works	57,981	80,441	2,192,423	
Capital Outlays				144,499
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges				
<b>Total Expenditures</b>	<u>57,981</u>	<u>80,441</u>	<u>2,192,423</u>	<u>3,115,140</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,963)</u>	<u>528,342</u>	<u>(379,244)</u>	<u>(1,924,242)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				1,538,269
Transfers Out			(367,627)	(104,080)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(367,627)</u>	<u>1,434,189</u>
<b>Net Change in Fund Balances</b>	<u>(3,963)</u>	<u>528,342</u>	<u>(746,871)</u>	<u>(490,053)</u>
Fund Balances, Beginning of Year	<u>2,168</u>	<u>607,499</u>	<u>3,225,142</u>	<u>490,053</u>
Fund Balances, End of Year	<u>\$ (1,795)</u>	<u>\$ 1,135,841</u>	<u>\$ 2,478,271</u>	<u>\$ -</u>

**City of Coachella**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds - Continued**  
For the Fiscal Year Ended June 30, 2015

	Special Revenue			Debt Service	Total Non-Major Governmental Funds
	CAL HOME Program Income	CDBG Program Income	Home Admin Program Income	Street Improvement Fund	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 628,889
Charges for Services					33,055
Intergovernmental	11,018	227,331	10,829		905,027
Special Assessments					2,294,917
Investment Income	1,518	1,175	1,674	20,699	67,587
Other Revenue					11,647
<b>Total Revenues</b>	<u>12,536</u>	<u>228,506</u>	<u>12,503</u>	<u>20,699</u>	<u>3,941,122</u>
<b>EXPENDITURES</b>					
Current:					
General Government	153	84,607	1,059	3,421	89,240
Fire					2,970,641
Public Works					2,330,845
Capital Outlay					144,499
Debt Service:					
Principal Retirement				160,000	160,000
Interest and Fiscal Charges				291,109	291,109
<b>Total Expenditures</b>	<u>153</u>	<u>84,607</u>	<u>1,059</u>	<u>454,530</u>	<u>5,986,334</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>12,383</u>	<u>143,899</u>	<u>11,444</u>	<u>(433,831)</u>	<u>(2,045,212)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In				433,831	1,972,100
Transfers Out		(135,420)			(607,127)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(135,420)</u>	<u>-</u>	<u>433,831</u>	<u>1,364,973</u>
<b>Net Change in Fund Balances</b>	12,383	8,479	11,444	-	(680,239)
Fund Balances, Beginning of Year	163,567	137,767	187,167	468,500	5,281,863
Fund Balances, End of Year	<u>\$ 175,950</u>	<u>\$ 146,246</u>	<u>\$ 198,611</u>	<u>\$ 468,500</u>	<u>\$ 4,601,624</u>

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Air Quality Improvement Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 52,000	\$ 52,000	\$ 53,908	\$ 1,908
Investment Income	500	500	110	(390)
Total Revenues	<u>52,500</u>	<u>52,500</u>	<u>54,018</u>	<u>1,518</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	88,000	88,000	57,981	30,019
Capital Outlay	30,000	30,000		30,000
Total Expenditures	<u>118,000</u>	<u>118,000</u>	<u>57,981</u>	<u>60,019</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(65,500)</u>	<u>(65,500)</u>	<u>(3,963)</u>	<u>61,537</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (65,500)</u>	<u>\$ (65,500)</u>	(3,963)	<u>\$ 61,537</u>
Fund Balance, Beginning of Year			<u>2,168</u>	
Fund Balance, End of Year			<u>\$ (1,795)</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Transportation Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 629,000	\$ 629,000	\$ 601,941	(27,059)
Investment Income	100	100	6,842	6,742
Total Revenues	<u>629,100</u>	<u>629,100</u>	<u>608,783</u>	<u>(20,317)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	-	80,441	(80,441)
Total Expenditures	<u>-</u>	<u>-</u>	<u>80,441</u>	<u>(80,441)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>629,100</u>	<u>629,100</u>	<u>528,342</u>	<u>(100,758)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(829,000)</u>	<u>(829,000)</u>	-	829,000
Total Other Financing Sources (Uses)	<u>(829,000)</u>	<u>(829,000)</u>	-	829,000
Net Change in Fund Balances	<u>\$ (199,900)</u>	<u>\$ (199,900)</u>	528,342	<u>\$ 728,242</u>
Fund Balance, Beginning of Year			<u>607,499</u>	
Fund Balance, End of Year			<u>\$ 1,135,841</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Landscape and Lighting District Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Special Assessments	\$ 1,780,011	\$ 1,780,011	\$ 1,783,225	\$ 3,214
Investment Income		-	29,954	29,954
	<u>1,780,011</u>	<u>1,780,011</u>	<u>1,813,179</u>	<u>33,168</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	4,350,329	4,350,329	2,192,423	2,157,906
Total Expenditures	<u>4,350,329</u>	<u>4,350,329</u>	<u>2,192,423</u>	<u>2,157,906</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,570,318)</u>	<u>(2,570,318)</u>	<u>(379,244)</u>	<u>2,191,074</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(367,627)	(367,627)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(367,627)</u>	<u>(367,627)</u>
Net Change in Fund Balances	<u>\$ (2,570,318)</u>	<u>\$ (2,570,318)</u>	(746,871)	<u>\$ 1,823,447</u>
Fund Balance, Beginning of Year			<u>3,225,142</u>	
Fund Balance, End of Year			<u>\$ 2,478,271</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Protection District Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 498,500	\$ 498,500	\$ 628,889	\$ 130,389
Charges for Services	35,000	35,000	33,055	(1,945)
Special Assessments	450,000	450,000	511,692	61,692
Investment Income		-	5,615	5,615
Total Revenues	<u>983,500</u>	<u>983,500</u>	<u>1,190,898</u>	<u>207,398</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	2,811,980	2,811,980	2,970,641	(158,661)
Capital Outlay		-	144,499	(144,499)
Total Expenditures	<u>2,811,980</u>	<u>2,811,980</u>	<u>3,115,140</u>	<u>(303,160)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,828,480)</u>	<u>(1,828,480)</u>	<u>(1,924,242)</u>	<u>(95,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,719,500	1,719,500	1,538,269	(181,231)
Transfers Out		-	(104,080)	(104,080)
Total Other Financing Sources (Uses)	<u>1,719,500</u>	<u>1,719,500</u>	<u>1,434,189</u>	<u>(285,311)</u>
Net Change in Fund Balances	<u>\$ (108,980)</u>	<u>\$ (108,980)</u>	<u>(490,053)</u>	<u>\$ (381,073)</u>
Fund Balance, Beginning of Year			<u>490,053</u>	
Fund Balance, End of Year			<u>\$ -</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CAL HOME Program Income Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ -	\$ -	\$ 11,018	\$ 11,018
Investment Income	-	-	1,518	1,518
Total Revenues	-	-	12,536	12,536
<b>EXPENDITURES</b>				
Current:				
General Government			153	(153)
Total Expenditures	-	-	153	(153)
Excess (Deficiency) of Revenues over Expenditures	-	-	12,383	12,383
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(151,712)	(151,712)	-	151,712
Total Other Financing Sources (Uses)	(151,712)	(151,712)	-	151,712
Net Change in Fund Balances	<u>\$ (151,712)</u>	<u>\$ (151,712)</u>	12,383	<u>\$ 164,095</u>
Fund Balance, Beginning of Year			<u>163,567</u>	
Fund Balance, End of Year			<u>\$ 175,950</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CDBG Program Income Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 90,000	\$ 90,000	\$ 227,331	137,331
Investment Income	-	-	1,175	1,175
Total Revenues	-	-	228,506	228,506
<b>EXPENDITURES</b>				
Current:				
General Government	90,000	90,000	84,607	5,393
Total Expenditures	90,000	90,000	84,607	5,393
Excess (Deficiency) of Revenues over Expenditures	(90,000)	(90,000)	143,899	233,899
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(150,000)	(150,000)	(135,420)	14,580
Total Other Financing Sources (Uses)	(150,000)	(150,000)	(135,420)	14,580
Net Change in Fund Balances	<u>\$ (240,000)</u>	<u>\$ (240,000)</u>	8,479	<u>\$ 248,479</u>
Fund Balance, Beginning of Year			<u>137,767</u>	
Fund Balance, End of Year			<u>\$ 146,246</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Home Admin Program Income Special Revenue Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ -	\$ -	\$ 10,829	\$ 10,829
Investment Income			1,674	1,674
Total Revenues	<u>-</u>	<u>-</u>	<u>12,503</u>	<u>12,503</u>
<b>EXPENDITURES</b>				
Current:				
General Government	180,725	180,725	1,059	179,666
Total Expenditures	<u>180,725</u>	<u>180,725</u>	<u>1,059</u>	<u>179,666</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(180,725)</u>	<u>(180,725)</u>	<u>11,444</u>	<u>192,169</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (180,725)</u>	<u>\$ (180,725)</u>	11,444	<u>\$ 192,169</u>
Fund Balance, Beginning of Year			<u>187,167</u>	
Fund Balances, End of Year			<u>\$ 198,611</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Street Improvement Fund Debt Service Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 20,699	\$ 20,699
Total Revenues	-	-	20,699	20,699
<b>EXPENDITURES</b>				
Current:				
General Government	1,500	1,500	3,421	(1,921)
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges	160,000	160,000	160,000	-
	291,109	291,109	291,109	-
Total Expenditures	452,609	452,609	454,530	(1,921)
Excess (Deficiency) of Revenues over Expenditures	(452,609)	(452,609)	(433,831)	18,778
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	447,109	447,109	433,831	(13,278)
Total Other Financing Sources (Uses)	447,109	447,109	433,831	(13,278)
Net Change in Fund Balances	<u>\$ (5,500)</u>	<u>\$ (5,500)</u>	-	<u>\$ 5,500</u>
Fund Balance, Beginning of Year			<u>468,500</u>	
Fund Balance, End of Year			<u>\$ 468,500</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Improvement Projects Capital Project Fund**  
For The Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other Revenue	\$	-	\$ 328,347	\$ 328,347
Total Revenues	-	-	328,347	328,347
<b>EXPENDITURES</b>				
Capital Outlay	41,345,095	41,345,095	17,067,515	24,277,580
Total Expenditures	41,345,095	41,345,095	17,067,515	24,277,580
Excess (Deficiency) of Revenues over Expenditures	(41,345,095)	(41,345,095)	(16,739,168)	24,605,927
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	38,100,838	38,100,838	16,739,168	(21,361,670)
Total Other Financing Sources (Uses)	38,100,838	38,100,838	16,739,168	(21,361,670)
Net Change in Fund Balances	<u>\$ (3,244,257)</u>	<u>\$ (3,244,257)</u>	-	<u>\$ 3,244,257</u>
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			<u>\$ -</u>	

**AGENCY FUNDS**

## **City of Coachella Agency Funds**

**Self-Insured Dental Plan** – used to account for any claims that are not otherwise covered by its dental indemnity plan for City employees.

**General Deposits Fund** – used to account for deposits and disbursements to and from the Rabobank payroll account and also to obtain future services from citizens and others who have an agreement with the City. Deposits are reduced by disbursements and/or refunds to the depositors when the cost of the service is determined.

**Flood Control Capital Facilities Fund** – used to account for the assets held on behalf of the Coachella Valley Water District for storm drain and other capital projects.

**Employee Flex Plan Deposits** – used to account for reserves held on behalf of employees on supplementary insurance plan. Employees are reimbursed for out-of-pocket medical expenses when claims are submitted.

**Refuse Fund** – used to account for the receipts collected and distributed to Burrtec for refuse services provided to City Residents.



**City of Coachella**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
June 30, 2015

	Self Insured Dental Plan	General Deposits Fund	Flood Control Capital Facilities Fund
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 646,079	\$ 2,150,688
Accounts Receivable			
Total Assets	\$ -	\$ 646,079	\$ 2,150,688
<b>LIABILITIES</b>			
Pass-through Payable	\$ -	\$ -	\$ 2,150,688
Claims Payable			
Due to Refuse Service Provider			
Deposits Payable		646,079	
Total Liabilities	\$ -	\$ 646,079	\$ 2,150,688

<u>Employee Flex Plan Deposits</u>	<u>Refuse Fund</u>	<u>Total Agency Funds</u>
\$ 1,410	\$ 2,171	\$ 2,800,348
	36,395	36,395
<u>\$ 1,410</u>	<u>\$ 38,566</u>	<u>\$ 2,836,743</u>
\$ -	\$ -	\$ 2,150,688
1,410		1,410
	35,324	35,324
	3,242	649,321
<u>\$ 1,410</u>	<u>\$ 38,566</u>	<u>\$ 2,836,743</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Net Assets - Fiduciary Funds**  
**Self Insured Dental Plan**  
For the Fiscal Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments with Fiscal Agent	\$ 6,530	\$ 6,530	\$ 13,060	\$ -
Total Assets	<u>\$ 6,530</u>	<u>\$ 6,530</u>	<u>\$ 13,060</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Pass-through Payable	\$ 6,530	\$ 7,017	\$ 13,547	\$ -
Total Liabilities	<u>\$ 6,530</u>	<u>\$ 7,017</u>	<u>\$ 13,547</u>	<u>\$ -</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**General Deposits Fund**  
For The Fiscal Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 595,152	\$ 371,549	\$ 320,622	\$ 646,079
Other Receivables	208,491		208,491	-
Total Assets	<u>\$ 803,643</u>	<u>\$ 371,549</u>	<u>\$ 529,113</u>	<u>\$ 646,079</u>
<b>LIABILITIES</b>				
Deposits Payable	<u>\$ 803,643</u>	<u>\$ 565,276</u>	<u>\$ 722,840</u>	<u>\$ 646,079</u>
Total Liabilities	<u>\$ 803,643</u>	<u>\$ 565,276</u>	<u>\$ 722,840</u>	<u>\$ 646,079</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Flood Control Capital Facilities Fund**  
For the Fiscal Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	<u>\$ 2,133,976</u>	<u>\$ 18,580</u>	<u>\$ 1,868</u>	<u>\$ 2,150,688</u>
Total Assets	<u><u>\$ 2,133,976</u></u>	<u><u>\$ 18,580</u></u>	<u><u>\$ 1,868</u></u>	<u><u>\$ 2,150,688</u></u>
<b>LIABILITIES</b>				
Pass-through Payable	<u>\$ 2,133,976</u>	<u>\$ 18,579</u>	<u>\$ 1,867</u>	<u>\$ 2,150,688</u>
Total Liabilities	<u><u>\$ 2,133,976</u></u>	<u><u>\$ 18,579</u></u>	<u><u>\$ 1,867</u></u>	<u><u>\$ 2,150,688</u></u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Employee Flex Plan Deposits Fund**  
For the Fiscal Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$	\$ 2,243	\$ 833	\$ 1,410
Total Assets	\$ -	\$ 2,243	\$ 833	\$ 1,410
<b>LIABILITIES</b>				
Claims Payable	\$	\$ 2,243	\$ 833	\$ 1,410
Total Liabilities	\$ -	\$ 2,243	\$ 833	\$ 1,410

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Refuse Fund**  
For the Fiscal Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,344	\$ 2,656,712	\$ 2,655,885	\$ 2,171
Accounts Receivable	34,706	38,600	36,911	36,395
Total Assets	<u>\$ 36,050</u>	<u>\$ 2,695,312</u>	<u>\$ 2,692,796</u>	<u>\$ 38,566</u>
<b>LIABILITIES</b>				
Deposit Payable	\$ 3,031	\$ 3,242	\$ 3,031	\$ 3,242
Due to Refuse Service Provider	33,019	1,626,610	1,624,305	35,324
Total Liabilities	<u>\$ 36,050</u>	<u>\$ 1,629,852</u>	<u>\$ 1,627,336</u>	<u>\$ 38,566</u>



**STATISTICAL SECTION**

## STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statements users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the City's economic condition.

Contents	Pages
Financial Trends	105-114
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	115-128
These schedules contain trend information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	129-138
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.	
Economic and Demographic Information	139-143
These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the City's financial activities take place.	
Operating Information	144-150
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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**City of Coachella**  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Years			
	2006	2007	2008	2009
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 21,094,484	\$ 69,625,226	\$ 85,714,202	\$ 95,466,787
Restricted	47,977,285	4,782,696	5,662,608	17,108,772
Unrestricted	(32,362,804)	8,905,534	3,652,252	(15,594,569)
<b>Total governmental net assets</b>	<b>\$ 83,313,456</b>	<b>\$ 95,029,062</b>	<b>\$ 96,980,990</b>	<b>\$ 102,465,311</b>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 15,907,813	\$ 36,259,222	\$ 35,198,133	\$ 36,511,480
Restricted	14,656,111	9,855,031	6,928,511	9,571,551
Unrestricted	(16,521,062)	3,027,035	3,336,606	(3,415,652)
<b>Total business-type net assets</b>	<b>\$ 14,042,862</b>	<b>\$ 49,141,288</b>	<b>\$ 45,463,250</b>	<b>\$ 42,667,379</b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 37,002,297	\$ 105,884,448	\$ 120,912,335	\$ 131,978,267
Restricted	62,633,396	14,637,727	12,591,119	26,680,323
Unrestricted	(48,883,866)	11,932,569	6,988,858	(19,010,221)
<b>Total primary gov't net position</b>	<b>\$ 50,751,827</b>	<b>\$ 132,454,744</b>	<b>\$ 140,492,312</b>	<b>\$ 139,648,369</b>

Source: City of Coachella

2010	2011	2012	2013	2014	2015
\$ 102,162,696	\$ 101,147,347	\$ 111,247,097	\$ 120,525,667	\$ 132,455,715	\$ 145,593,234
19,069,214	26,096,284	23,302,650	15,984,734	3,896,461	4,053,609
(18,766,599)	(25,655,766)	903,304	3,821,526	18,352,829	10,703,722
<u>\$ 101,587,865</u>	<u>\$ 135,453,051</u>	<u>\$ 140,331,927</u>	<u>\$ 154,705,005</u>	<u>\$ 160,350,565</u>	<u>\$ 160,350,565</u>
\$ 30,565,733	\$ 28,937,151	\$ 31,140,385	\$ 30,060,637	\$ 29,190,240	\$ 29,253,731
9,383,173	12,386,534	10,544,314	11,808,295	11,781,174	12,022,868
1,782,324	330,584	680,001	1,550,566	2,427,129	(1,800,780)
<u>\$ 41,731,230</u>	<u>\$ 41,654,269</u>	<u>\$ 42,364,700</u>	<u>\$ 43,419,498</u>	<u>\$ 43,398,543</u>	<u>\$ 39,475,819</u>
\$ 132,728,429	\$ 130,084,498	\$ 142,387,482	\$ 150,586,304	\$ 161,645,955	\$ 174,846,965
28,452,387	38,482,818	33,846,964	27,793,029	15,677,635	16,076,477
(16,984,275)	(25,325,182)	1,583,305	5,372,092	20,779,958	8,902,942
<u>\$ 144,196,541</u>	<u>\$ 143,242,134</u>	<u>\$ 177,817,751</u>	<u>\$ 183,751,425</u>	<u>\$ 198,103,548</u>	<u>\$ 199,826,384</u>

**City of Coachella**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Years			
	2006	2007	2008	2009
<b>Expenses:</b>				
<b>Governmental activities:</b>				
General government	\$ 9,640,173	\$ 12,956,139	\$ 11,789,089	\$ 7,741,542
Public safety	4,898,669	8,185,639	10,032,314	10,305,504
Public works	2,195,931	6,382,829	8,792,025	9,966,066
Parks and recreation	162,680	297,478	936,008	1,134,980
Payments to other agencies	1,130,745	-	-	-
Interest on long-term debt	1,355,416	2,591,955	2,711,031	3,048,677
Transfers				
Total governmental activities	<u>19,383,614</u>	<u>30,414,040</u>	<u>34,260,467</u>	<u>32,196,769</u>
<b>Business-type activities</b>				
Water	3,414,611	4,447,614	4,925,075	5,389,095
Sanitary	3,885,576	4,386,731	8,447,038	6,619,280
Total business-type activities	<u>7,300,187</u>	<u>8,834,345</u>	<u>13,372,113</u>	<u>12,008,375</u>
Total primary government expenses	<u>26,683,801</u>	<u>39,248,385</u>	<u>47,632,580</u>	<u>44,205,144</u>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
General government	5,475,037	1,485,666	3,239,642	2,609,702
Public safety	145,089	542,613	100,953	133,255
Public works	5,640,625	1,499,050	232,289	159,351
Parks and recreation	-	-	-	-
Operating grants and contributions	4,760,299	7,455,122	5,261,599	3,480,245
Capital grants and contributions	68,274	3,259,887	12,781,151	13,414,321
Total governmental activities program revenue	<u>16,089,324</u>	<u>14,242,338</u>	<u>21,615,634</u>	<u>19,796,874</u>
<b>Business Type Activities</b>				
<b>Charges for services:</b>				
Water	5,030,444	3,691,041	3,631,226	3,483,785
Sanitary	6,968,141	6,485,883	5,413,732	5,905,830
Total business-type activities	<u>11,998,585</u>	<u>10,176,924</u>	<u>9,044,958</u>	<u>9,389,615</u>
Total primary government activities program revenues	<u>28,087,909</u>	<u>24,419,262</u>	<u>30,660,592</u>	<u>29,186,489</u>
<b>Net revenues (expenses):</b>				
Governmental activities	(3,294,290)	(16,171,702)	(12,644,833)	(12,399,895)
Business-type activities	4,698,398	1,342,579	(4,327,155)	(2,618,760)
Total net revenues (expenses)	<u>1,404,108</u>	<u>(14,829,123)</u>	<u>(16,971,988)</u>	<u>(15,018,655)</u>

Source: City of Coachella

	2010	2011	2012	2013	2014	2015
\$	5,705,993	\$ 4,605,459	\$ 6,111,900	\$ 4,998,607	\$ 4,124,482	\$ 4,849,757
	8,875,765	9,935,026	10,307,033	11,303,766	11,189,847	12,338,488
	11,861,550	11,699,266	3,973,174	6,965,830	7,262,906	8,461,080
	1,006,144	1,334,218	1,434,101	1,854,340	2,376,873	2,504,397
	-	-	-	-	-	-
	2,925,495	2,878,831	875,283	302,426	296,609	290,576
	<u>30,374,947</u>	<u>30,452,800</u>	<u>22,701,491</u>	<u>25,424,969</u>	<u>25,250,717</u>	<u>28,444,298</u>
	4,832,937	5,178,132	5,296,709	5,820,913	5,415,282	5,286,149
	4,787,092	5,104,398	4,592,115	5,450,091	5,247,438	5,206,579
	<u>9,620,029</u>	<u>10,282,530</u>	<u>9,888,824</u>	<u>11,271,004</u>	<u>10,662,720</u>	<u>10,492,728</u>
	<u>39,994,976</u>	<u>40,735,330</u>	<u>32,590,315</u>	<u>36,695,973</u>	<u>35,913,437</u>	<u>38,937,026</u>
	1,114,356	1,229,829	1,042,436	1,095,362	691,362	995,116
	166,085	57,173	39,690	83,181	80,823	601,521
	779,045	437,508	240,491	2,669,927	473,148	567,991
	-	-	-	18,803	38,717	78,314
	5,200,469	3,860,007	3,206,084	5,547,193	11,445,418	5,545,347
	6,020,309	4,440,478	2,542,580	5,320,294	12,178,865	15,028,254
	<u>13,280,264</u>	<u>10,024,995</u>	<u>7,071,281</u>	<u>14,734,760</u>	<u>24,908,333</u>	<u>22,816,543</u>
	3,845,765	4,712,079	5,423,430	6,854,219	6,393,874	6,795,227
	4,704,975	5,133,701	5,023,433	5,990,399	5,278,139	5,480,180
	8,550,740	9,845,780	10,446,863	12,844,618	11,672,013	12,275,407
	<u>21,831,004</u>	<u>19,870,775</u>	<u>17,518,144</u>	<u>20,725,159</u>	<u>30,186,472</u>	<u>28,296,723</u>
	(17,094,683)	(20,427,805)	(15,630,210)	(10,690,209)	(342,384)	(5,627,755)
	(1,069,289)	(436,750)	558,039	1,573,614	1,009,293	1,782,679
	<u>(18,163,972)</u>	<u>(20,864,555)</u>	<u>(15,072,171)</u>	<u>(9,116,595)</u>	<u>666,909</u>	<u>(3,845,076)</u>

**City of Coachella**  
Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues				
Governmental activities:				
Intergovernmental revenue	989,493	-	-	-
Licenses and permits				
Taxes:				
Property taxes	8,859,051	14,572,407	16,133,441	15,334,880
Other taxes	4,923,454	4,410,933	5,280,253	4,703,772
Interest and rental income	986,665	-	2,624,639	459,763
Gain on insurance reimbursement	-	2,850,294	-	-
Transfers	(770,990)	(2,656,661)	173,784	644,358
Other revenues	359,950	318,283	148,322	451,263
Total governmental activities	<u>15,347,623</u>	<u>19,495,256</u>	<u>24,360,439</u>	<u>21,594,036</u>
Business-type activities				
Other taxes	38,055	81,007	80,660	76,638
Interest and rental income	400,831	-	678,875	390,609
Transfers	770,990	2,656,661	(173,784)	(644,358)
Other revenues	-	908,020	63,366	-
Total business-type activities	<u>1,209,876</u>	<u>3,645,688</u>	<u>649,117</u>	<u>(177,111)</u>
Total primary government	<u>16,557,499</u>	<u>23,140,944</u>	<u>25,009,556</u>	<u>21,416,925</u>
Changes in Net Position				
Governmental activities	12,053,333	3,323,554	11,715,606	9,194,141
Business-type activities	5,908,274	4,988,267	(3,678,038)	(2,795,871)
Total primary government	<u>\$ 17,961,607</u>	<u>\$ 8,311,821</u>	<u>\$ 8,037,568</u>	<u>\$ 6,398,270</u>

2010	2011	2012	2013	2014	2015
-	-	-	-	-	-
13,914,451	14,936,877	7,230,805	3,641,132	3,865,606	4,632,924
3,878,561	3,270,921	4,799,090	7,465,062	7,391,279	10,045,129
181,921	616,606	333,809	56,285	106,855	132,856
-	-	-	-	-	-
83,990	-	-	5,479,971	2,860,169	1,528,100
351,448	725,955	39,472	820,102	491,553	807,923
18,410,371	19,550,359	12,403,176	17,462,552	14,715,462	17,146,932
71,761	52,479	88,747	120,102	78,565	119,244
325,106	307,310	63,645	17,012	62,092	138,131
(83,990)	-	-	-	(1,170,905)	(1,278,100)
-	-	-	-	-	-
312,877	359,789	152,392	137,114	(1,030,248)	(1,020,725)
18,723,248	19,910,148	12,555,568	17,599,666	13,685,214	16,126,207
1,315,688	(877,446)	(3,227,034)	6,772,343	14,373,078	11,519,177
(756,412)	(76,961)	710,431	1,710,728	(20,955)	761,954
\$ 559,276	\$ (954,407)	\$ (2,516,603)	\$ 8,483,071	\$ 14,352,123	\$ 12,281,131

**City of Coachella**  
Fund Balances of Governmental Funds <sup>(1)</sup>  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Reserved	\$ 1,617,653	\$ 1,251,604	\$ 766,397	\$ 152,911
Unreserved	9,654,528	9,111,113	6,815,659	6,645,206
Nonspendable				
Committed				
Assigned				
Unassigned				
Total general fund	<u>\$ 11,272,181</u>	<u>\$ 10,362,717</u>	<u>\$ 7,582,056</u>	<u>\$ 6,798,117</u>
All other government funds:				
Reserved	\$ 17,047,731	\$ 19,072,608	\$ 29,108,658	\$ 9,791,031
Unreserved, reported in:				
Special revenue funds	14,194,605	17,626,900	(10,019,658)	18,214,433
Capital projects funds	27,123,981	20,571,791	42,407,884	11,870,645
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total all other governmental funds	<u>\$ 58,366,317</u>	<u>\$ 57,271,299</u>	<u>\$ 61,496,884</u>	<u>\$ 39,876,109</u>
Total government	<u>\$ 69,638,498</u>	<u>\$ 67,634,016</u>	<u>\$ 69,078,940</u>	<u>\$ 46,674,226</u>

<sup>(1)</sup> The requirements of the Governmental Accounting Standards Board (GASB) Statement Number 54 became effective for financial statements for periods beginning after June 15, 2010. This statement requires the reclassification of fund balance for governmental funds into five fund balance classification; Nonspendable, Restricted, Committed, Assigned and Unassigned. See Note Disclosure for additional information.

Source: City of Coachella

2010	2011	2012	2013	2014	2015
\$ 182,516	\$ 97,889	\$ 696,055	\$ 747,187	\$ -	\$ 1,034
6,973,935	7,438,822	7,216,287	7,233,049	-	-
				712,301	804,798
				127,126	962,276
					545
				6,571,198	5,379,585
<u>\$ 7,156,451</u>	<u>\$ 7,536,711</u>	<u>\$ 7,912,342</u>	<u>\$ 7,980,236</u>	<u>\$ 7,410,625</u>	<u>\$ 7,148,238</u>
\$ 6,119,021	\$ 6,119,021	\$ 7,557,962	\$ 6,473,490		
20,477,006	22,277,334	9,811,963	8,762,749		
10,997,083	9,507,944	(8,722)			
				4,364,961	4,521,075
				5,485,293	4,425,140
				3,225,142	2,480,066
				(10,842)	(1,795)
<u>\$ 37,593,110</u>	<u>\$ 37,904,299</u>	<u>\$ 17,361,203</u>	<u>\$ 15,236,239</u>	<u>\$ 13,064,554</u>	<u>\$ 11,424,486</u>
<u>\$ 44,749,561</u>	<u>\$ 45,441,010</u>	<u>\$ 25,273,545</u>	<u>\$ 23,216,475</u>	<u>\$ 20,475,179</u>	<u>\$ 18,572,724</u>

**City of Coachella**  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Years			
	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$ 6,618,247	\$ 18,983,340	\$ 21,339,431	\$ 20,144,921
Property tax increment	5,431,925	-	-	-
Licenses and permits	3,290,175	2,045,347	2,165,334	1,860,509
Charges for services	6,572,347	1,174,361	674,891	415,752
Fines and forfeits	387,834	307,621	266,466	312,085
Intergovernmental revenue	7,866,289	6,277,896	12,418,721	7,994,437
Developer Fees				
Special Assessments				
Interest and rental income	872,244	2,850,294	2,624,639	922,654
Other income	1,168,876	4,755,396	6,312,807	5,612,347
<b>Total revenues</b>	<b>\$ 32,207,937</b>	<b>\$ 36,394,255</b>	<b>\$ 45,802,289</b>	<b>\$ 37,262,705</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Departmental	\$ 2,529,267	\$ 10,413,993	\$ 11,326,595	\$ 7,297,718
Non-departmental	5,952,642	-	-	-
Public safety	4,898,669	8,138,684	9,969,322	9,705,504
Public works	2,195,931	4,884,148	3,572,002	3,567,104
Parks and recreation	162,680	297,478	923,957	962,264
Payment to other agencies	1,130,745	-	-	-
Capital outlays	-	6,880,698	20,332,270	22,239,928
<b>Debt service:</b>				
Pass-through Agreements	164,436	910,690	1,412,917	3,630,538
Issuance Costs	-	-	482,231	-
Principal retirements	3,250,296	1,960,906	1,005,824	1,186,049
Interest and fiscal changes	1,329,765	2,357,427	2,711,031	3,039,111
Capital outlays	4,303,778	-	-	-
<b>Total expenditures</b>	<b>\$ 25,918,209</b>	<b>\$ 35,844,024</b>	<b>\$ 51,736,149</b>	<b>\$ 51,628,216</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 6,289,728</b>	<b>\$ 550,231</b>	<b>\$ (5,933,860)</b>	<b>\$ (14,365,511)</b>
<b>Other financing sources (uses):</b>				
Proceeds from loan	\$ -	\$ -	\$ -	\$ -
Proceeds from bond debt	33,845,000	-	-	-
Discount on bond debt	(1,376,945)	-	-	-
Premium on bond debt	-	-	-	-
Payment to bond agent	-	-	-	-
Gain on sale of land	-	-	-	-
Transfers in	55,430,862	14,283,215	21,894,708	20,130,396
Transfers out	(56,201,852)	(16,939,876)	(21,720,924)	(19,486,038)
Issuance of Long-term Debt	-	-	7,205,000	-
<b>Total other financing sources (uses)</b>	<b>\$ 31,697,065</b>	<b>\$ (2,656,661)</b>	<b>\$ 7,378,784</b>	<b>\$ 644,358</b>
<b>Extraordinary item:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net change in fund balances</b>	<b>\$ 37,986,793</b>	<b>\$ (2,106,430)</b>	<b>\$ 1,444,924</b>	<b>\$ (13,721,153)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>27.1%</b>	<b>18.2%</b>	<b>14.4%</b>	<b>19.6%</b>

Source: City of Coachella

	2010	2011	2012	2013	2014	2015
\$	17,586,613	\$ 18,207,798	\$ 15,285,530	\$ 11,719,602	\$ 11,724,882	\$ 14,676,884
	-	-	-	-	-	-
	506,267	328,074	443,692	614,773	442,562	538,012
	941,030	513,713	331,760	453,441	180,654	397,549
	193,308	186,327	200,141	95,057	165,618	184,794
	6,410,258	4,790,834	10,333,837	7,509,649	15,291,696	17,809,697
						567,991
						3,129,783
	658,301	616,600	196,698	56,285	106,855	132,856
	6,225,902	4,518,528	6,933,698	6,268,534	4,088,497	807,923
\$	<u>32,521,679</u>	<u>\$ 29,161,874</u>	<u>\$ 33,725,356</u>	<u>\$ 26,717,341</u>	<u>\$ 32,000,764</u>	<u>\$ 38,245,489</u>
\$	5,692,863	\$ 4,296,416	\$ 5,055,676	\$ 4,511,278	\$ 4,236,748	\$ 4,664,727
	-	-	-	-	-	-
	8,816,894	9,873,162	10,248,889	11,236,936	11,123,018	12,271,659
	3,852,501	6,766,312	2,949,814	3,598,866	3,876,914	5,069,452
	830,108	1,132,761	1,257,203	1,677,442	1,865,921	1,984,820
	-	-	-	-	-	-
	4,441,241	1,582,158	11,150,050	12,781,950	16,052,519	17,234,277
	5,826,335	2,705,158	426,749	-	-	-
	-	-	-	-	-	-
	1,643,602	1,356,591	1,240,000	145,000	150,000	160,000
	2,942,234	2,895,570	1,560,982	302,909	297,109	291,109
	-	-	-	-	-	-
\$	<u>34,045,778</u>	<u>\$ 30,608,128</u>	<u>\$ 33,889,363</u>	<u>\$ 34,254,381</u>	<u>\$ 37,602,229</u>	<u>\$ 41,676,044</u>
\$	<u>(1,524,099)</u>	<u>\$ (1,446,254)</u>	<u>\$ (164,007)</u>	<u>\$ (7,537,040)</u>	<u>\$ (5,601,465)</u>	<u>\$ (3,430,555)</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	12,134,189	9,707,470	46,165,111	19,087,073	22,151,890	20,840,763
	(12,050,199)	(9,707,470)	(46,165,111)	(13,607,102)	(19,291,721)	(19,312,663)
	-	-	-	-	-	-
\$	<u>83,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,479,971</u>	<u>\$ 2,860,169</u>	<u>\$ 1,528,100</u>
\$	<u>-</u>	<u>\$ 146,882</u>	<u>\$ (18,012,537)</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>(1,440,109)</u>	<u>\$ (1,299,372)</u>	<u>\$ (18,176,544)</u>	<u>\$ (2,057,069)</u>	<u>\$ (2,741,296)</u>	<u>\$ (1,902,455)</u>
	23.9%	19.3%	14.4%	2.1%	2.1%	1.9%

**City of Coachella**  
 Schedule of Net Assessed Value  
 Last Ten Fiscal Years

<u>Fiscal Year End</u>	<u>Gross Assessed Value</u>	<u>Less Property Exemptions</u>	<u>Net Taxable Value</u>
2006	1,025,752,377	93,172,403	932,579,974
2007	1,632,382,708	104,390,591	1,527,992,117
2008	2,117,495,881	116,363,279	2,001,132,602
2009	2,113,810,148	124,455,289	1,989,354,859
2010	1,821,712,132	115,435,770	1,706,276,362
2011	1,642,263,955	155,857,195	1,486,406,760
2012	1,547,181,026	153,904,367	1,393,276,659
2013	1,481,929,638	155,810,941	1,326,118,697
2014	1,519,638,811	115,454,244	1,404,184,567
2015	1,623,808,162	145,480,073	1,478,328,089

Source: Riverside County Assessor's Office  
 MuniServices, LLC

<u>Less Homeowners Exemption</u>	<u>Net Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value Growth</u>
14,462,424	918,117,550	5.61	78.53%
16,443,215	1,511,548,902	4.73	64.64%
18,019,873	1,983,112,729	4.64	31.20%
18,982,925	1,970,371,934	4.86	-0.64%
10,199,509	1,696,076,853	6.63	-13.92%
11,506,708	1,474,900,052	6.63	-13.04%
71,670,761	1,321,605,898	6.63	-10.39%
20,672,757	1,305,445,940	6.63	-1.22%
20,581,588	1,383,602,979	6.63	5.99%
20,451,439	1,457,876,650	6.63	5.37%

## City of Coachella

Citywide Assessed Value and Estimated Actual Value of Taxable Property  
Last Six Fiscal Years

Fiscal Year End	Residential Property	Commercial Property	Other	Property Unsecured	Property
2009-10	885,069,483	282,638,822	587,988,234	66,015,593	
2010-11	782,722,615	295,988,410	501,142,417	62,410,514	
2011-12	755,901,377	300,469,945	430,469,507	60,340,197	
2012-13	715,872,078	285,845,274	421,670,150	58,542,136	
2013-14	752,563,219	287,615,839	419,316,122	60,143,631	
2014-15	952,454,624	406,038,422	202,671,983	62,643,133	

1) Total direct tax rate is the city share of the 1% Proposition 13 tax for TRA 12-000, and has been adjusted for ERAF.

2) Estimated Actual Value is derived from a series of calculations comparing median assessed

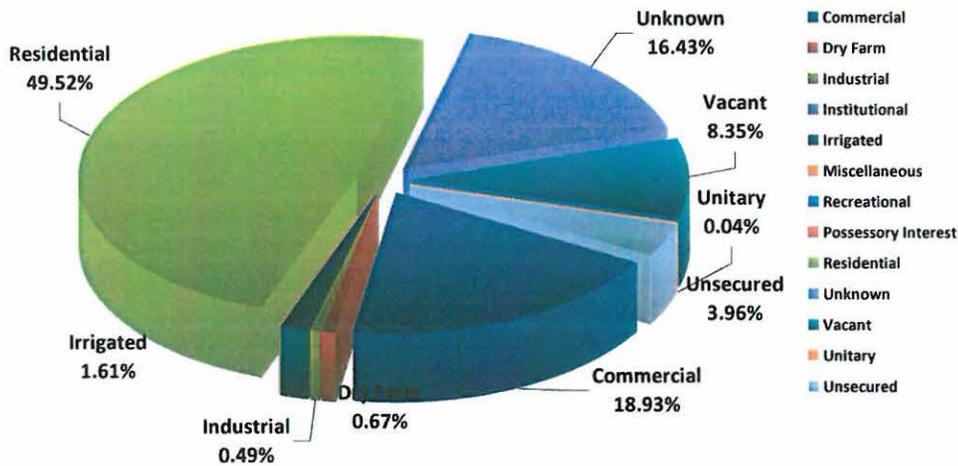
Source: Riverside County Assessor data, MuniServices, LLC

Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
115,435,770	1,706,276,362	.03098381	1,771,183,115	1.038042
155,857,195	1,486,406,761	.03098472	1,474,620,299	0.992071
153,904,367	1,393,276,659	.03100944	1,321,605,898	0.948560
155,810,941	1,326,118,697	.03100944	1,348,591,725	1.016946
115,454,244	1,404,184,567	.03100944	1,496,588,337	1.065806
145,480,073	1,478,328,089	.03100944	1,824,638,149	1.234258

**City of Coachella**  
 Citywide Assessed Value of Property by Use Code  
 Last Ten Fiscal Years  
 (in thousands of dollars)

Category	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
Commercial	65,183	78,400	138,925	152,499
Dry Farm	13,533	18,234	18,234	18,488
Industrial	78,161	83,660	97,256	105,518
Institutional	2,011	2,080	2,121	2,164
Irrigated	20,615	44,224	50,934	45,427
Miscellaneous	565	884	889	829
Recreational	176	2,988	2,865	5,327
Possessory Interest	4,888	4,914	5,061	5,676
Residential	500,153	799,191	1,148,922	1,075,436
Unknown	101,197	139,854	125,536	162,207
Vacant	192,513	391,025	453,817	467,419
Unitary	1,028	944	555	555
<b>Gross Secured Value</b>	<b>980,023</b>	<b>1,566,398</b>	<b>2,045,115</b>	<b>2,041,545</b>
Unsecured	45,729	65,985	72,381	72,265
Exemptions	93,172	104,391	116,363	124,455
<b>Net Secured Value</b>	<b>932,580</b>	<b>1,527,992</b>	<b>2,001,133</b>	<b>1,989,355</b>

**Assessed Value By Land Use**



Use code categories are based on Riverside County Assessor's data  
 Any missing use code categories were not utilized in this years land use data

Source: Riverside County Assessor data, MuniServices, LLC  
 Source: 2008-09 prior, previous published CAFR

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
282,639	295,988	300,470	285,845	287,616	406,038
18,885	18,509	12,456	11,050	10,242	10,779
9,380	8,955	9,349	6,793	7,377	9,568
0	0	0	0	0	0
46,055	41,558	28,657	24,548	24,459	25,371
0	0	0	0	0	0
0	0	0	0	0	13,309
1,276	983	988	0	0	0
885,069	782,723	755,901	715,872	752,563	952,455
251,346	238,150	234,449	246,059	249,695	23,376
260,491	192,433	144,016	132,619	126,940	119,667
555	555	555	602	605	602
1,755,697	1,579,853	1,486,841	1,423,388	1,459,497	1,561,165
66,016	62,411	60,340	58,542	60,143	62,643
115,436	155,857	153,904	155,811	115,454	145,480
1,706,276	1,486,407	1,393,277	1,326,119	1,404,186	1,478,328

**City of Coachella**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years

	Fiscal Years			
	2005-06	2006-07	2007-08	2008-09
<b>Basic City and County Levy</b>				
COUNTY GENERAL	0.077909	0.118000	0.118000	0.131000
COUNTY FREE LIBRARY	0.025000	0.029000	0.029000	0.029000
CITY OF COACHELLA ANX	-	0.063000	0.063000	0.063000
COACHELLA VALLEY UNIFIED	0.432209	0.391000	0.391000	0.391000
DESERT COMMUNITY COLLEGE	0.069757	0.081000	0.081000	0.081000
RIV. CO. OFFICE OF EDUCATION	0.037951	0.044000	0.044000	0.044000
RIV CO REG PARK & OPEN SPACE	0.002544	0.005000	0.005000	0.005000
COACHELLA VALLEY PUB CEMETERY	0.003000	0.004000	0.004000	0.004000
COACHELLA FIRE PROTECTION	0.054000	0.054000	0.054000	0.054000
CV MOSQ & VECTOR CONTROL	0.013000	0.015000	0.015000	0.015000
COACHELLA VALLEY REC & PARK	0.019000	0.022000	0.022000	0.022000
COACHELLA VALLEY CO WATER	0.025363	0.030000	0.030000	0.030000
COACHELLA VALLEY RES CONSER	0.000325	0.000325	0.000325	0.000325
CVC WTR IMP DST 1 DEBT SV	0.011835	-	-	-
COACH VAL CO WTR STORM WTR UNIT	0.032107	0.032107	0.032107	0.032107
ERAF	0.196000	0.198000	0.198000	0.198000
<b>TOTAL</b>	<b>1.000000</b>	<b>1.086432</b>	<b>1.086432</b>	<b>1.099432</b>
<b>Override Assessments</b>				
COACHELLA VALLEY UNIFIED	0.060000	0.060000	0.060000	0.060000
DESERT COMMUNITY COLLEGE	0.019950	0.019950	0.019950	0.019950
COACHELLA VALLEY WATER	0.021000	0.021000	0.040000	0.040000
<b>TOTAL</b>	<b>0.100950</b>	<b>0.100950</b>	<b>0.119950</b>	<b>0.119950</b>
<b>TOTAL TAX RATE</b>	<b>1.100950</b>	<b>1.187382</b>	<b>1.206382</b>	<b>1.219382</b>

For purposes of this table TRA 12-000 is represented

Source: Riverside County Auditor data, MuniServices, LLC

Source: 2008-09 prior, previous published CAFR

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
0.103042	0.103042	0.103064	0.103064	0.103064	0.103064
0.013312	0.013312	0.013312	0.013312	0.013314	0.013314
0.030984	0.030985	0.031009	0.031009	0.031009	0.031009
0.432209	0.432209	0.432209	0.432209	0.432209	0.432209
0.069757	0.069757	0.069757	0.069757	0.069757	0.069757
0.037951	0.037951	0.037951	0.037951	0.037951	0.037951
0.002544	0.002544	0.002544	0.002544	0.002544	0.002544
0.002131	0.002131	0.002131	0.002131	0.002131	0.002131
0.036499	0.036487	0.036487	0.036487	0.036487	0.036487
0.009059	0.009059	0.009059	0.009059	0.009059	0.009059
0.010968	0.010968	0.010968	0.010968	0.010968	0.010968
0.025363	0.025363	0.025363	0.025363	0.025363	0.025363
0.000325	0.000325	0.000325	0.000325	0.000325	0.000325
0.011835	0.011835	0.011835	0.011835	0.011835	0.011835
0.032107	0.032107	0.032107	0.032107	0.032107	0.032107
0.181914	0.181925	0.181878	0.181878	0.181878	0.181878
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
0.072470	0.093320	0.074870	0.079680	0.149190	0.132180
0.019950	0.019950	0.019950	0.019950	0.019950	0.020870
0.060000	0.080000	0.080000	0.080000	0.100000	0.100000
0.152420	0.193270	0.174820	0.179630	0.269140	0.253050
1.152420	1.193270	1.174820	1.179630	1.269140	1.253050

**City of Coachella**  
History of Assessed Net Taxable Property Values  
Last Ten Fiscal Years  
(in thousands of dollars)

Category	2006	2007	2008	2009
Residential	\$ 500,153	\$ 799,191	\$ 1,148,922	\$ 1,075,436
Commercial	65,183	78,400	138,925	152,499
Industrial	78,161	83,660	97,256	105,518
Dry Farm	13,533	18,234	18,234	18,488
Institutional	2,011	2,080	2,121	2,164
Irrigated	20,615	44,224	50,934	45,427
Miscellaneous	565	884	889	829
Recreational	176	2,988	2,865	5,327
Vacant Land	192,513	391,025	453,817	467,419
SBE Nonunitary	1,028	944	555	555
Possessory Int.	4,888	4,914	5,061	5,676
Unsecured	45,729	65,985	72,381	72,265
Unknown	9,053	35,463	9,281	37,751
<b>Totals</b>	<b>\$ 933,608</b>	<b>\$ 1,527,992</b>	<b>\$ 2,001,241</b>	<b>\$ 1,989,354</b>
Total Direct Rate	<u>0.56105%</u>	<u>0.47329%</u>	<u>0.46366%</u>	<u>0.48578%</u>

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%. With few exceptions, property is only reassessed as a result of new time the property is sold to a new owner. At that point the new assessed value is reassessed based on the added value of the construction or at the purchase price (market value) of the property. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations

Exemptions not included in total.

Source: Riverside County Assessor's Office  
MuniServices, LLC

	2010	2011	2012	2013	2014	2015
\$	885,069	\$ 782,723	\$ 755,901	\$ 715,872	\$ 752,563	\$ 952,455
	282,639	295,988	300,470	285,845	287,616	406,038
	9,380	8,955	9,349	6,793	7,377	9,568
	18,885	18,509	12,456	11,050	10,242	10,779
	-	-	-	-	-	-
	46,055	41,558	28,657	24,548	24,459	25,371
	-	-	-	-	-	-
	-	-	-	-	-	13,309
	260,491	192,433	144,016	132,619	126,940	119,667
	555	555	555	602	602	602
	1,276	983	988	-	-	-
	66,015	62,411	60,340	58,542	-	-
	135,911	82,293	80,545	90,248	249,695	23,376
<u>\$</u>	<u>1,706,276</u>	<u>\$ 1,486,408</u>	<u>\$ 1,393,277</u>	<u>\$ 1,326,119</u>	<u>\$ 1,459,494</u>	<u>\$ 1,561,165</u>
	<u>0.66274%</u>	<u>0.66274%</u>	<u>0.66274%</u>	<u>0.66274%</u>	<u>0.66274%</u>	<u>0.66274%</u>

**City of Coachella**  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		
		Amount	Percentage of Levy	Subsequent Years
2006	8,897,106	8,897,106	100%	-
2007	14,653,414	14,653,414	100%	-
2008	16,214,101	16,214,101	100%	-
2009	19,703,719	19,703,719	100%	-
2010	16,960,768	16,960,768	100%	-
2011	14,749,000	14,749,000	100%	-
2012	13,216,059	13,216,059	100%	-
2013	12,225,753	12,225,753	100%	-
2014	13,188,561	13,188,561	100%	-
2015	14,499,234	14,499,234	100%	-

Source: Riverside County Assessors Office

Collection in  
Subsequent Years

<u>Amount</u>	<u>Percentage of Levy</u>
-	0%
-	0%
-	0%
-	0%
-	0%
-	0%
-	0%
-	0%
-	0%
-	0%

**City of Coachella**  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2014-15		2005-06	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Armtech Defense Products Co	42,346,283	2.86%	20,490,414	2.23%
Soco	30,586,166	2.07%	0	0.00%
Anthony Vineyards Inc.	15,746,313	1.07%	5,442,610	0.59%
Sun World Packing Corp	12,861,296	0.87%	11,046,362	1.20%
California Artichoke Veg Growers	12,146,975	0.82%	0	0.00%
HPT TA Prop Trust	11,523,561	0.78%	0	0.00%
Wal Mart Stores Inc.	9,593,357	0.65%	0	0.00%
Halum Abesud	9,440,000	0.64%	0	0.00%
PSAV	8,671,853	0.59%	0	0.00%
Camp Court	8,000,559	0.54%	5,986,000	0.65%
A S Coachella Centers	7,562,347	0.51%	0	0.00%
Sun Sands Enterprise	7,275,161	0.49%	0	0.00%
Cauzza Four Drug Store	7,230,161	0.49%	0	0.00%
Grimmway Enterprise Inc.	7,118,014	0.48%	0	0.00%
CVP Palm Springs	6,288,418	0.43%	0	0.00%
Sun Date LLC	6,237,909	0.42%	0	0.00%
Dillon Vineyard Estates	6,086,071	0.41%	0	0.00%
S&D Inv Inc	6,045,707	0.41%	0	0.00%
Wm Sub Esc	6,000,000	0.41%	0	0.00%
Christopher Coachella	5,799,155	0.39%	5,100,000	0.56%
LB	5,755,329	0.39%	0	0.00%
Eastman Bill	5,464,941	0.37%	0	0.00%
Industrial Way Prop	5,259,717	0.36%	0	0.00%
JJ Brothers Construction Co I	5,255,930	0.36%	0	0.00%
Bei Coca Cola Bottling Co of L	5,150,000	0.35%	0	0.00%
Fiesta Dev Inc		0.00%	30,600,000	3.34%
K Hovnanian Forecast Homes Inc	0	0.00%	28,340,000	3.09%
Beazer Homes Holdings Corp	0	0.00%	12,581,351	1.37%
Dillon Road Assoc	0	0.00%	11,000,000	1.20%
MFJK Partnership	0	0.00%	10,271,009	1.12%
Ta Operating Corp	0	0.00%	9,500,871	1.04%
CRV Rilington Diego Coachella	0	0.00%	9,280,000	1.01%
Gentry Captial Partners Inc	0	0.00%	8,811,810	0.96%
Desert Mist Cooling	0	0.00%	8,592,734	0.94%
Ryland Homes of Calif Inc	0	0.00%	8,186,000	0.89%
Amazing Coachella Inc	0	0.00%	7,977,528	0.87%
KB Home Coastal Inc	0	0.00%	6,885,000	0.75%
Irc Coachella Ventures	0	0.00%	6,381,018	0.70%
Rancho Heights	0	0.00%	5,996,800	0.65%
Srebnik Jack	0	0.00%	5,824,000	0.63%
Rancho Coachella Prop	0	0.00%	5,790,241	0.63%
Rancho Las Flores Dev Inc	0	0.00%	5,498,374	0.60%
Van Buren Partnersii	0	0.00%	5,107,000	0.56%
Coachella Valley Housing Coali	0	0.00%	5,017,238	0.55%
Schumacher Folsom East Bidwell	0	0.00%	5,000,000	0.55%
<b>Total Top 25 Taxpayers</b>	<b>253,445,223</b>	<b>17.14%</b>	<b>244,706,360</b>	<b>26.68%</b>
<b>Total Taxable Value</b>	<b>1,478,328,089</b>	<b>100.00%</b>	<b>917,269,527</b>	<b>100.00%</b>

Source: Riverside County Assessor data, MuniServices, LLC

**City of Coachella**  
Principal Sales Tax Producers  
This Fiscal Year and Nine Years Ago

2014-15

2005-06

<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxpayer</u>	<u>Business Type</u>
Arco Am/Pm Mini Marts	Service Stations	Arco Am/Pm Mini Marts	Service Stations
Auto Zone	Auto Parts/Repair	Auto Zone	Auto Parts/Repair
Beck Oil Inc.	Energy Sales	Carl's Jr Restaurants	Restaurants
Cardenas Markets, Inc.	Food Markets	Chevron Service Stations	Service Stations
Carl's Jr Restaurants	Restaurants	Coachella Ranch Market	Food Markets
Chevron Service Stations	Service Stations	Coronet Concrete Products In	Bldg Matls Whsle
Coronet Concrete Products In	Bldg Matls Whsle	Del Rosario Auto Sales	Auto Sales - used
Fastrip Service Stations	Service Stations	Exxon Service Stations	Service Stations
Food 4 Less	Food Markets	Fastrip Service Stations	Service Stations
Foster-Gardner Inc.	Florist/Nursery	Food 4 Less	Food Markets
Fulton Distributing Company	Food Processing Eqp	Foster-Gardner Inc.	Florist/Nursery
Hydro Systems	Bldg Matls Whsle	Hughes Water & Sewer	Bldg Matls Whsle
Imperial Sprinkler Supply	Bldg Matls Whsle	Hydro Systems	Bldg Matls Whsle
J & M Sales Inc.	Auto Sales - Used	Imperial Western Products	Light Industry
Jack In The Box	Restaurants	Jack In The Box	Restaurants
Love's Travel Stop	Service Stations	Jiquilpan Auto Sales	Auto Sales - used
McDonald's Restaurants	Restaurants	Lee Escher Oil Company	Energy Sales
Pete's Road Service	Auto parts/Repair	Love's Travel Stop	Service Stations
Qwik Mart	Food Markets	O'Reilly Auto Parts	Auto Parts/Repair
Rite Aid	Drug Stores	Pete's Road Service	Auto Parts/Repair
South West Pump & Drilling	Bldg Matls Whsle	Pool & Electrical Products	Bldg Matls Whsle
Ta Travel Center	Service Stations	Rite Aid	Drug Stores
Union 76 Service Stations	Service Stations	South West Pump & Drilling	Bldg Matls Whsle
Walmart Neighborhood Mark	Food Markets	Truckstop of America	Service Stations
Wells Supply Company	Bldg Matls Retail	Union 76 Service Stations	Service Stations

Top Sales Tax Producers are listed in alphabetical order

Source: SBOE data, MuniServices, LLC

**City of Coachella**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					
	Redevelopment Loan	Redevelopment Bonds	Financing Authority Notes	Capital Leases	Certificates of Participation	Refunding Bonds
2006	-	55,600,000	-	255,299	-	10,620,000
2007	-	53,775,000	-	467,066	-	-
2008	-	52,875,000	-	361,242	7,205,000	-
2009	-	51,940,000	-	200,193	7,115,000	-
2010	-	50,545,000	-	81,591	6,985,000	-
2011	-	49,405,000	-	-	6,850,000	-
2012	-	-	-	-	6,710,000	-
2013	-	-	-	-	6,565,000	-
2014	-	-	-	-	6,415,000	-
2015	-	-	-	-	625,500	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements  
(1) See the Schedule of Demographic and Economic Statistics for personal income and population data

Business-Type Activities

<u>Revenue Bonds</u>	<u>Revolving Fund Loan</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
23,060,000	10,741,797	100,277,096	19.12%	2,298
22,664,274	20,934,609	97,840,949	18.65%	2,242
22,216,746	22,959,943	105,617,931	20.14%	2,421
26,781,870	21,982,766	108,019,829	20.59%	2,476
26,281,572	20,983,114	104,876,277	20.00%	2,404
25,761,785	19,960,470	101,977,255	19.44%	2,337
25,222,319	18,914,305	50,846,624	9.69%	1,165
24,632,974	17,844,078	49,042,052	9.35%	1,124
23,978,541	16,749,236	47,142,777	8.99%	1,080
23,851,002	15,629,213	45,735,215	8.72%	1,048

**City of Coachella**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2006	2007	2008	2009
Assessed valuation	1,025,752,377	1,629,220,124	2,117,495,881	2,113,810,148
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	256,438,094	407,305,031	529,373,970	528,452,537
Debt limit percentage	15%	15%	15%	15%
Debt limit	38,465,714	61,095,755	79,406,096	79,267,881
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 38,465,714</u>	<u>\$ 61,095,755</u>	<u>\$ 79,406,096</u>	<u>\$ 79,267,881</u>
Total debt applicable to the limit as a percentage of debt limit	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 values (as of the most change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Riverside County Assessors Office  
MuniServices, LLC

2010	2011	2012	2013	2014	2015
1,821,712,132	1,642,263,955	1,547,181,026	1,481,929,638	1,519,638,811	1,623,508,162
25%	25%	25%	25%	25%	25%
455,428,033	410,565,989	386,795,257	370,482,410	379,909,703	405,877,041
15%	15%	15%	15%	15%	15%
68,314,205	61,584,898	58,019,288	55,572,361	56,986,455	60,881,556
-	-	-	-	-	-
<u>\$ 68,314,205</u>	<u>\$ 61,584,898</u>	<u>\$ 58,019,288</u>	<u>\$ 55,572,361</u>	<u>\$ 56,986,455</u>	<u>\$ 60,881,556</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**City of Coachella**  
 Revenue Bond Coverage - Coachella Sanitary District  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Gross Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>
2015	5,480,180	2,965,381	2,514,799
2014	5,278,139	2,979,982	2,298,157
2013	5,990,399	2,802,614	3,187,785
2012	5,023,433	2,278,042	2,745,391
2011	5,133,701	2,908,022	2,225,679
2010	5,008,316	2,323,891	2,684,425
2009	4,888,960	3,171,968	1,716,992
2008	4,752,600	2,555,682	2,196,918
2007	6,139,807	2,391,117	3,748,690
2006	6,218,344	2,307,908	3,910,436

- (1) Operating expenses less depreciation and debt service, per bond official statement  
 (2) 1.25 debt service coverage requirement, per bond resolutions

Source: City of Coachella

Debt Service Requirements			
Principal	Interest	Total	Coverage (2)
140,000	211,475	351,475	7.15
135,000	216,606	351,606	6.54
130,000	220,141	350,141	9.10
125,000	224,600	349,600	7.85
120,000	229,744	349,744	6.36
115,000	236,269	351,269	7.64
110,000	239,569	349,569	4.91
110,000	242,869	352,869	6.23
105,000	245,494	350,494	10.70
105,000	240,863	345,863	11.31

**City of Coachella**  
**Revenue Bond Coverage - Coachella Water Authority**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Gross Expenses (1)	Net Revenue Available for Debt Service
2015	6,868,215	3,411,300	3,456,915
2014	6,423,096	3,503,437	2,919,659
2013	6,854,219	3,417,056	3,437,163
2012	5,423,430	2,974,791	2,448,639
2011	4,712,079	3,210,507	1,501,572
2010	3,939,291	2,837,925	1,101,366
2009	3,602,250	3,264,599	337,651
2008	3,823,755	3,176,618	647,137
2007	3,965,677	3,320,370	645,307
2006	5,269,125	2,433,014	2,836,111

- (1) Operating expenses less depreciation, per bond official statement
- (2) 1.25 debt service coverage requirement, per bond resolutions

Source: City of Coachella

Debt Service Requirements			
Principal	Interest	Total	Coverage (2)
405,000	348,475	753,475	4.59
395,000	356,575	751,575	3.88
315,000	200,461	515,461	6.67
300,000	530,713	830,713	2.95
290,000	541,729	831,729	1.81
280,000	555,188	835,188	1.32
270,000	563,963	833,963	0.40
265,000	571,913	836,913	0.77
260,000	578,413	838,413	0.77
250,000	584,663	834,663	3.40

**City of Coachella**  
 Direct and Overlapping Bonded Debt (unaudited)  
 As of June 30, 2015

2013-14 Assessed Valuation: \$ 1,470,374,818

OVERLAPPING TAX AND ASSESSMENT DEBT:

Desert Community College District  
 Coachella Valley Unified School District  
 Desert Sands Unified School District  
 TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Riverside County General Fund Obligations  
 Riverside County Pension Obligations  
 Riverside County Board of Education Certificates of Participation  
 Coachella Valley Unified School District Certificates of Participation  
 Desert Sands Unified School District Certificates of Participation  
**City of Coachella Gas Tax Revenue Certificates of Participation**  
 Coachella Valley Recreation and Park District Certificates of Participation  
 TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT  
 Less: Riverside County self-supporting obligations  
 TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT

OVERLAPPING TAX INCREMENT DEBT (Successor Agency):

CITY TOTAL DIRECT DEBT  
 TOTAL GROSS OVERLAPPING DEBT  
 TOTAL NET OVERLAPPING DEBT  
  
 GROSS COMBINED TOTAL DEBT  
 NET COMBINED TOTAL DEBT

- (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.

Ratios to 2014-2015 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.51%
<b>Total Direct Debt (\$6,255,000).....</b>	<b>0.46%</b>
Gross Combined Total Debt .....	5.87%
Net Combined Total Debt .....	5.87%

Ratios to Redevelopment Incremental Valuation (\$757,255,014):

Total Overlapping Tax Increment Debt.....	4.48%
---	-------

Source: MuniServices LLC

Total Debt 06/30/15	% Applicable	City's Share of Debt 6/30/15
\$ 308,619,492	2.160%	\$ 6,666,181
178,113,759	16.536%	29,452,891
267,444,474	0.285%	762,217
		<u>\$ 36,881,289</u>
\$ 961,952,082	0.651%	\$ 6,262,308
320,470,000	0.651%	2,086,260
1,835,000	0.651%	11,946
42,435,000	16.536%	7,017,052
61,360,000	0.285%	174,876
<b>6,255,000</b>	<b>100.000%</b>	<b>6,255,000</b> (1)
1,652,264	3.416%	56,441
		<u>\$ 21,863,883</u>
		49,248
		<u>\$ 21,814,635</u>
\$ 357,154,343	0.023-100%	\$ 33,890,052
		\$ -
		\$ 86,380,224
		\$ 86,330,976
		\$ 86,380,224 (2)
		\$ 86,330,976

**City of Coachella**  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (3)	Employed (2)	Unemployed (2)
2005-06	30,964	**	**	9,900	900
2006-07	35,449	**	**	10,400	900
2007-08	38,486	**	**	10,700	1,200
2008-09	40,517	**	**	10,400	1,900
2009-10	41,043	**	**	9,800	2,600
2010-11	41,502	**	**	9,600	2,700
2011-12	41,904	**	**	10,200	2,500
2012-13	42,784	522,778	12,219	10,200	2,400
2013-14	43,633	524,512	12,021	10,500	2,100
2014-15	43,917		11,874	16,300	1,700

(1) Population Projections are provided by the California Department of Finance Projections.

(2) Unemployment and Labor Force Data are provided by the EDD's Bureau of Labor Statistics Department

\*As of 2009-10, Student Enrollment reflects the total number of students enrolled in the Coachella Valley Unified School District

\*\* Data unavailable

Source (1) (2): MuniServices LLC

Source (1) (2): 2008-09 prior, previously published CAFRs

Source (3): U.S. Census Bureau

Source (3): U.S. Census Bureau

*Public School Enrollment	County Unemployment Rate (%) (2)	City Unemployment Rate (%) (2)	County Population (1)	City Population (% of County)
15,452	5.4%	8.4%	**	**
16,418	5.0%	8.3%	**	**
17,499	6.0%	10.4%	**	**
18,203	8.5%	15.3%	**	**
17,499	13.6%	21.1%	2,109,882	1.9%
18,464	14.0%	21.7%	2,217,778	1.9%
18,406	12.7%	19.9%	2,227,577	1.9%
18,720	12.3%	19.3%	2,255,059	1.9%
18,850	10.3%	16.4%	2,279,967	1.9%
18,878	6.2%	9.6%	2,308,441	1.9%

**City of Coachella**  
Principal Employers  
This Fiscal Year and Nine Years Ago

Business Name	2014-15		2005-06	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Valley Pride*	700	3.89%	-	0.00%
Spotlight 29 Casino	600	3.33%	-	0.00%
Coachella Valley Unified School District	520	2.89%	-	0.00%
Coachella Valley Water District	517	2.87%	-	0.00%
Augustine Casino	404	2.24%	-	0.00%
Earnie Ball/Paladar	346	1.92%	-	0.00%
Esterling Defense (formerly Armtec Industry)	239	1.33%	-	0.00%
Teserra (formerly California Pools)	155	0.86%	-	0.00%
Cardenas	130	0.72%	-	0.00%
Food 4 Less	120	0.67%	-	0.00%
<b>Total Top 10 Employers</b>	<b>3,731</b>	<b>20.73%</b>	<b>-</b>	<b>0.00%</b>
<b>Total City Labor Force (1)</b>	<b>18,000</b>			

Results based on direct correspondence with city's local businesses

(1.) Total City Labor Force provided by EDD Labor Force Data

\*Count is at peak of season during harvest (Nov-Mar), otherwise count is 300

Source: MuniServices, LLC



**City of Coachella**  
 Nine Year Staffing History (Full Time Equivalents)

	Fiscal Year		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
General Government			
Administration	7.00	8.50	2.95
Community Development	5.75	6.00	4.00
Finance	3.95	10.30	3.85
General Government	2.00	4.00	4.00
Neighborhood Services	7.45	8.00	5.50
Public Works	22.25	22.00	20.75
Senior Center	3.00	3.50	3.00
Landscape & Lighting District	-	-	1.00
Redevelopment Agency	6.25	3.00	10.15
Sanitary District	9.80	9.35	14.10
Water Agency	12.75	8.35	12.70
Grand Total	<u>80.20</u>	<u>83.00</u>	<u>82.00</u>

- (1) This report does not include elected officials.
- (2) Some positions are distributed among two or more departments for accounting purposes.
- (3) Some City staff and management also serve in similar functions for component units such as Coachella Water Authority and Coachella Sanitary District.

Source: City of Coachella

<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
2.05	2.05	2.05	3.80	4.30	3.80
2.25	3.50	3.50	4.50	4.50	4.50
2.60	3.60	3.60	3.50	3.50	3.50
3.00	5.00	4.00	4.00	4.00	4.00
2.00	1.00	1.00	2.00	3.00	3.00
17.50	19.25	19.25	17.90	17.20	15.20
3.00	2.00	2.00	3.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00	2.00
8.05	8.05	8.05	-	-	-
13.20	13.20	13.20	14.40	14.25	13.75
13.35	12.35	13.35	14.90	14.25	14.25
<u>69.00</u>	<u>72.00</u>	<u>72.00</u>	<u>70.00</u>	<u>71.00</u>	<u>68.00</u>

**City of Coachella**  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years

Function	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public safety				
Police				
Substations	1	1	1	1
Service hours	110	110	110	110
Fire stations	1	1	1	1
Personnel (full time)	18	18	18	11
Support personnel	20	20	20	20
Highways and streets				
Streets (miles)	65	65	104	104
Streetlights	804	804	1,892	1,892
Culture and recreation				
Parks acreage	61	61	61	61
Parks	7	7	7	7
Swimming pools	2	2	2	2
Tennis courts	2	2	-	-
Basketball courts	-	-	4	4
Community centers	1	1	1	1
Water				
Water meters active	4,216	4,216	7,123	7,208
Fire hydrants	35	35	537	537
Sanitary				
Plants	1	1	1	1
(capacity/gallons)	2,400,000	2,400,000	4,500,000	4,500,000

Source: City of Coachella

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1	1	1	-	-	-
90	90	90	90	90	90
1	1	1	1	1	1
11	11	11	11	13	13
20	1	1	1	1	1
109	115	115	115	108	109
1,893	1,894	1,894	1,894	1,788	1,809
61	61	61	89	89	89
7	7	7	7	8	8
2	2	2	2	2	2
-	-	-	-	-	-
4	4	5	5	5	5
1	1	1	1	2	2
7,255	7,278	7,743	7,776	7,917	8,699
537	537	537	546	546	550
1	1	1	1	1	1
4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000

**City of Coachella**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Police (based on calendar year) **</b>				
Murder	5	2	3	4
Rape	11	2	4	9
Robbery	88	73	41	64
Assaults (aggravated)	151	225	140	178
Burglary	392	380	360	479
Auto Theft	474	430	308	297
Larceny Theft	783	750	673	578
Arson	13	8	8	10
<b>Fire</b>				
Average Response Time (minutes)	4.6	4.2	4	3.5
Structural Fires	168	125	66	41
Commercial Fires	61	38	28	15
Other Fires	438	400	203	118
Medical aids	1381	1568	1086	1212
Traffic Collisions	73	93	51	121
<b>Water</b>				
New connections	1,703	240	322	85
Average daily consumption (gallons)	6,653,153	7,784,986	3,434,453	3,297,075
<b>Wastewater</b>				
Average daily sewage treatment (gallons)	2,400,000	2,470,000	2,500,000	2,516,125

\*\* Data based on January - October

Source: City of Coachella

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
2	1	4	2	3	6
3	5	8	4	4	4
74	76	61	54	57	55
114	194	168	124	82	99
551	467	373	418	306	241
405	258	293	352	326	203
667	972	650	738	646	708
11	6	8	9	4	3
3.3	3.2	3.7	3.6	3.9	3.7
25	14	17	20	15	23
3	3	3	7	0	2
85	76	114	130	71	87
1239	1104	1568	1610	1591	1884
139	136	213	197	195	252
47	23	53	153	134	27
3,165,192	3,165,192	7,353,443	7,135,287	6,297,187	6,022,370
2,532,354	2,532,354	2,810,891	2,717,800	2,765,000	2,684,000

**City of Coachella, California**  
**GLOSSARY FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2015**

**ACCOUNTS PAYABLE** - A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

**ACCOUNTS RECEIVABLE** - An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

**ACCRUAL BASIS** - The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

**ACCUMULATED DEPRECIATION** - A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

**ADVANCE FROM OTHER FUNDS** - A liability account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **DUE TO OTHER FUNDS** and **INTERFUND RECEIVABLE/PAYABLE**.

**ADVANCE TO OTHER FUNDS** - An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **DUE FROM OTHER FUNDS** and **INTERFUND RECEIVABLE/PAYABLE**.

**AGENCY FUND** - A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

**AGENT MULTIPLE-EMPLOYER PLAN** - Group of single-employer plans with pooled administrative and investment functions but separate actuarial valuations and contribution rates.

**AMORTIZATION** - (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**ANNUAL OPEB COST** - An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

**ANNUAL REQUIRED CONTRIBUTIONS (ARC)** - Term used in connection with defined benefit pension and other postemployment benefit plans to describe the amount an employer must contribute in a given year.

**APPROPRIATION** - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

**ASSESSED VALUATION** - A valuation set upon real estate or other property by a government as a basis for levying taxes.

**ASSIGNED FUND BALANCE** - Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

**AUDITOR'S REPORT** - In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

**BALANCE SHEET** - The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

**BASIC FINANCIAL STATEMENTS (BFS)** - The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

**BASIS OF ACCOUNTING** - A term used to refer to *when* revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

**BUDGETARY CONTROL** - The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**BUSINESS-TYPE ACTIVITIES** - One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

**CAPITAL ASSETS** - Long-lived assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include equipment, buildings, and improvements other than buildings; land, infrastructure, and intangible assets. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

**CAPITAL EXPENDITURES** - Expenditures resulting in the acquisition of or addition to the government's general capital assets.

**CAPITALIZATION POLICY** - The criteria used by a government to determine which outlays should be reported as capital assets.

**CAPITAL LEASE** - An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

**CAPITAL PROJECTS FUND** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**CASH BASIS** - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CASH WITH FISCAL AGENT** - An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM** - A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFRs/CUFRs and to provide technical assistance and peer recognition to the finance officers preparing them.

**CHANGE IN THE FAIR VALUE OF INVESTMENTS** - The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

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**CLOSED AMORTIZATION PERIOD** - Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

**COMMITTED FUND BALANCE** - Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

**COMPENSATED ABSENCES** - Absences, such as vacation, illness, and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)** - A CAFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit's official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

**CONTINGENT LIABILITY** - Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

**CONTRIBUTION DEFICIENCIES** - The difference between the annual required contributions (ARC) of the employer(s), and the employer's actual contributions in relation to the ARC.

**COST-SHARING MULTIPLE-EMPLOYER PLAN** - A single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members and the same contribution rate(s) applies for each employer.

**COVERED PAYROLL** - Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

**CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS** - Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

**DEBT** - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**DEFERRED CHARGES** - Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

**DEFERRED REVENUE** - Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

**DEFICIT** - (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

**DEFINED BENEFIT OPEB PLAN** - Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

**DEFINED BENEFIT PENSION PLAN** - A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

**DEPRECIATION** - (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

**DUE FROM OTHER FUNDS** - An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

**DUE TO OTHER FUNDS** - A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

**ECONOMIC RESOURCES MEASUREMENT FOCUS** - Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

**EMPLOYER'S CONTRIBUTIONS** - Term used in the context of pension and other postemployment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

**ENCUMBRANCES** - Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

**ENTERPRISE FUND** - Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

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**EXCHANGE-LIKE TRANSACTION** - Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

**EXPENDITURES** - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

**EXPENDITURE-DRIVEN GRANTS** - Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

**EXPENSES** - Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

**EXTERNAL AUDITORS** - Independent auditors typically engaged to conduct an audit of a government's financial statements.

**EXTERNAL INVESTMENT POOL** - An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

**FAIR VALUE** - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**FIDUCIARY FUNDS** - The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

**FINANCIAL RESOURCES** - Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

**FISCAL AGENT** - A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

**FUND** - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

**FUND BALANCE** - The difference between fund assets and fund liabilities of governmental and similar trust funds.

**FUND FINANCIAL STATEMENTS** - Basic financial statements presented on the basis of funds. Term used in contrast with *government-wide financial statements*.

**FUND TYPE** - Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

**GENERAL FUND** - The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**GENERAL REVENUES** - All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax (e.g., property tax, sales tax, and transient occupancy tax). All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by Statement of Accounting Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)** - An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

**GOVERNMENTAL ACCOUNTING** - The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)** - The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

**GOVERNMENTAL ACTIVITIES** - Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

**GOVERNMENTAL FUNDS** - Funds generally used to account for tax-supported activities. The five different types of governmental funds are as follows: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

**IMPROVEMENT** - An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

**INDIRECT EXPENSES** - Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

**INFRASTRUCTURE** - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

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**INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT** - One of three components of net assets that must be reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

**INTERFUND RECEIVABLE/PAYABLE** - Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

**INTERFUND TRANSFERS** - Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

**INTERNAL SERVICE FUND** - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

**JOINT VENTURE** - A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

**LAPSE** - As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

**LEASE-PURCHASE AGREEMENTS** - Contractual agreements that are termed leases, but that in substance are purchase contracts.

**LEGAL LEVEL OF BUDGETARY CONTROL** - The level at which spending in excess of budgeted amounts would be a violation of law.

**LEVEL OF BUDGETARY CONTROL** - The level at which a government's management may not reallocate resources without special approval from the legislative body.

**LEVEL PERCENTAGE OF PROJECTED PAYROLL AMORTIZATION METHOD** - Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

**LIABILITIES** - Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**LOANS RECEIVABLE** - An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

**MAJOR FUND** - A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all government or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)** - A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

**MEASUREMENT FOCUS** - A way of presenting an entity's financial performance and position by considering which resources are measured (financial or economic) and when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

**MODIFIED ACCRUAL BASIS** - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

**NET OPEB OBLIGATION** - In the context of defined benefit pension and other postemployment benefit plans, the cumulative difference between annual pension cost and the employer's contributions to the plan, including the pension/OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related/OPEB-related debt.

**NONSPENDABLE FUND BALANCE** - Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

**OTHER FINANCING SOURCES** - An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

**OTHER FINANCING USES** - A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)** - Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

**OVERLAPPING DEBT** - The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

**PAY-AS-YOU-GO** - a method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

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**PAYROLL GROWTH RATE** - an actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

**PENSION BENEFITS** - "Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except healthcare benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan."

**POSTEMPLOYMENT** - Period following termination of employment, including the time between termination and retirement postemployment healthcare benefits.

**PROGRAM REVENUES** - Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

**PROPRIETARY FUNDS** - Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**REBATABLE ARBITRAGE** - A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

**REPORTING ENTITY** - The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

**REQUIRED SUPPLEMENTARY INFORMATION** - Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

**RESTRICTED ASSETS** - Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**RESTRICTED FUND BALANCE** - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**RESTRICTED NET ASSETS** - A component of net assets calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

**RETAINED EARNINGS** - An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

**REVENUE BONDS** - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

**RISK MANAGEMENT** - All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

**SELF-INSURANCE** - A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

**SINGLE AUDIT** - An audit performed in accordance with the Single Audit Act of 1997 and Office of Management and Budget's (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

**SPECIAL DISTRICT** - An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

**SPECIAL REVENUE FUND** - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

**SUBSTANTIVE PLAN** - Terms of an OPEB plan as understood by the employer(s) and plan members.

**TAX AND REVENUE ANTICIPATION NOTES (TRAN)** - Notes issued in anticipation of the collection of taxes and revenues, usually retirable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

**TRUST FUNDS** - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

**UNASSIGNED FUND BALANCE** - The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**UNQUALIFIED OPINION** - An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

**UNRESTRICTED NET ASSETS** - That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).