

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2011

CITY OF COACHELLA, CALIFORNIA



# Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

**City of Coachella, California**

**Financial Statements**

**Year Ended June 30, 2011**

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**City of Coachella, California  
Financial Statements  
Year Ended June 30, 2011**

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December 20, 2011

Citizens of the City of Coachella,  
Honorable Mayor and Members of the City of Council

The Comprehensive Annual Financial Report (CAFR) of the City of Coachella for the fiscal year ended June 30, 2011, is submitted herewith, this report was prepared by the City's Finance Department. For the fiscal year ended June 30, 2011, the City 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.

### **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 the 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.

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.

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, 2011, 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, 2011, 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 agriculture 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 and persimmons 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.

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 22.8, and is growing fast. Coachella's official population was 22,724 at the 2000 census, however according to the California Department of Finance, the population doubled to 42,591 as of 2010; one of the highest growth rates in the State. In addition, Coachella's stability is evidenced by its unusually high rate of 61% home ownership.

The City of Coachella operates under a council-manager format of government which consists of a Mayor, Mayor Pro-Tem, three Councilmember's 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; 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 2010-2011 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 \$2.99 million. 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 Economic Development (EDD), as of June 2011, the total workforce for the City of Coachella is 12,300 of which 9,600 were employed. The unemployment rate was 21.7%

The General Fund ended the year with a fund balance of \$7.54 million of which \$6.20 million is set aside in the emergency reserve, \$.097 million is appropriated for specific uses and \$1.24 million is undesignated/ unreserved.

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 property taxes to education and is considering taking other City revenues as a means of solving its own budget problems.

## **MAJOR INITIATIVES**

### **Capital Improvement Projects:**

During fiscal year 2010-2011, some expenditures were incurred and planning work was started or continued on several large capital improvement projects. A significant amount of work has been done to repair the streets and improve public landscaping with additional amount been budgeted in the future. Some of the projects planned by the City include a new public works yard, the Avenue 54 sewer trunk line, the Avenue 52 grade separation and a new water tank.

### **Redevelopment Agency:**

Activities during fiscal year 2010-2011 encompassed use of Community Development Block Grant funds, HOME funds, and tax increment from the Redevelopment Agency project areas to accomplish the agency's broad mission.

Efforts continued to attract retail and industrial type businesses, and construction has progressed on several exciting commercial projects within the City. Currently a McDonald's and Del Taco fast food restaurants and a Walgreens pharmacy have recently opened as the anchors at Van Buren Plaza, a retail center at the corner of Avenue 50 and Van Buren. In addition a new Taco Bell fast food restaurant has been added to Jackson Square which is located at the southeast corner of Avenue 48 and Jackson Street.

## **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/Treasurer 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 Coachella Redevelopment Agency was established pursuant to the State of California Health and Safety Codes, Section 33000, entitled "Community Redevelopment Law." Its purpose is to eliminate blighted areas by encouraging the development of residential, commercial, industrial, recreational, and public facilities. The City's Council members act as the Agency's directors, designate management, and have full accountability for the Agency's fiscal matters. The Agency's financial data and transactions are presented as a governmental fund type. Additional information about the Redevelopment Agency can be found in the Notes to the Financial Statements.

In addition to the Redevelopment Agency, the City's legally separate component units include the Coachella Water Authority, Coachella Sanitary District, Coachella Fire Protection District, Coachella Education and Government Access Corporation, 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 \$4.71 million and operating expenses totaled \$4.42 million for fiscal year 2010-2011. The fund ended the year with a net asset balance of \$24.86 million of which \$20.93 were invested in capital assets net of related debt, \$3.98 million restricted for construction and \$(.050) million as unrestricted.

The Sanitary Fund's operating revenues totaled \$5.13 million and operating expenses totaled \$4.20 million for fiscal year 2010-2011. The Sewer Fund's net asset balance at June 30, 2011 was \$16.80 million comprising of \$8.01 million invested in capital assets net of related debt, \$8.41 million restricted for construction and debt service and \$.38 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.

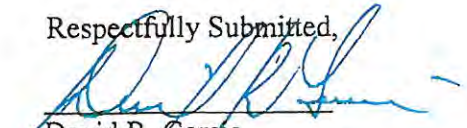
The City's risk management program has enabled the City to minimize its exposure to risk and control the associated costs of providing the program. In addition, an active employee safety training and inspection program has continued to provide a safe work environment.

### **ACKNOWLEDGMENTS**

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, 2011

City Council – Manager Form of Government

## CITY COUNCIL

EDUARDO GARCIA  
**Mayor**

STEVEN HERNANDEZ  
**Mayor Pro Tem**

ARTURO AVILES  
Council Member

EMMANUEL MARTINEZ  
Council Member

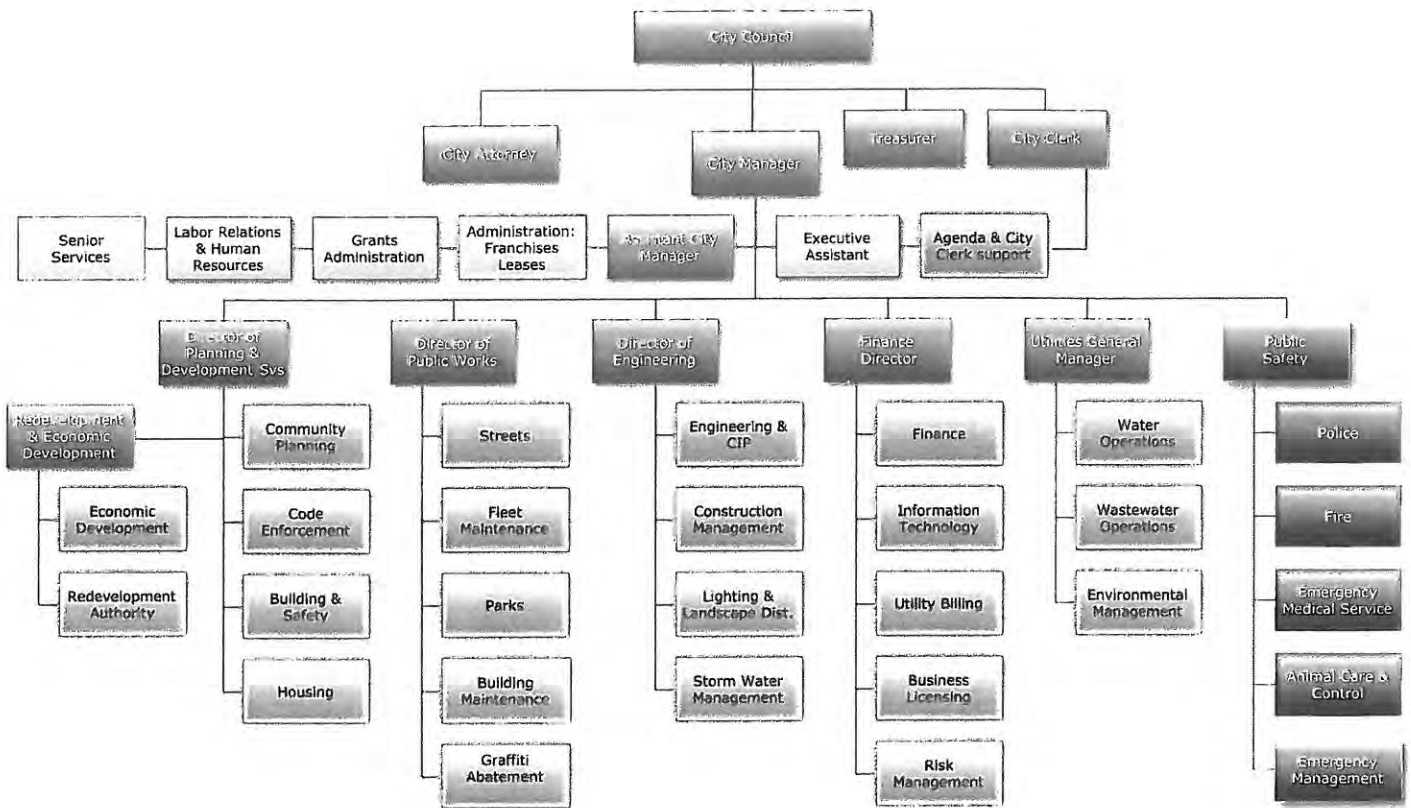
GILBERT RAMIREZ, JR  
Council Member

## CITY ADMINISTRATION

DAVID GARCIA  
City Manager

Assistant City Manager  
City Attorney  
City Treasurer  
City Clerk  
Community Development Director  
Finance Director  
Chief of Police  
City Engineer  
Fire Chief  
Economic Development Director  
Interim Public Works Director  
Utilities General Manager

Noelia Chapa  
Carlos Campos  
Stacey Garcia  
Isabel Castillon  
Linda Guillis  
William B. Pattison, CPA  
Raymond Gregory  
Jonathan Hoy  
Joel R. Vela  
Lorie Williams  
Maritza Martinez  
Curtis Aaron



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Leonard C. Sonnenberg, CPA

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2011, on our consideration of the City of Coachella'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The information identified in the accompanying table of contents as *Management's Discussion and Analysis* and *required supplementary information* are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coachella's basic financial statements. The supplementary schedules listed in the table of contents, including combining schedules and additional budgetary comparison schedules, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 21, 2011

  
Sonnenberg & Company, CPAs



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2011. 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 total assets of the City of Coachella exceeded its total liabilities at the close of the fiscal year by \$143.20 million. Of this amount, \$130.08 million is invested in capital assets, net of any related debt. In addition, \$4.62 million restricted for debt service, and \$12.16 million is restricted for capital projects.

The City's total net assets decreased by \$0.95 million between FY 2010 and FY 2011. During the period Total Revenues equaled \$39.78 million, a decrease of \$.77 million over fiscal year 2010 and expenses totaled \$40.74 million a \$.75 million increase over the same time period.

The close of the fiscal year 2010-2011, the City of Coachella's governmental funds reported combined ending fund balances of \$43.45 million, a decrease of \$1.3 million in comparison with the prior year. The unassigned fund balance is \$534 thousand.

### 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 seven 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, street improvement fund, capital projects fund, and debt service fund, all of which are considered to be major funds. Data from the three 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 fund. *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 assets 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 \$143.20 million at the close of the fiscal year. By far the largest portion of the City's net assets, \$130.08 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 Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
Current and restricted assets	\$ 70,004,876	\$ 62,407,834	\$ 18,447,286	\$ 14,871,252	\$ 88,452,162	\$ 77,279,086
Capital assets	108,213,938	109,229,287	74,676,434	75,795,606	182,890,372	185,024,893
Total Assets	<u>178,218,814</u>	<u>171,637,121</u>	<u>93,123,720</u>	<u>90,666,858</u>	<u>271,342,534</u>	<u>262,303,979</u>
Long-term debt outstanding	58,527,160	59,696,563	44,564,782	46,084,887	103,091,942	105,781,450
Other liabilities	18,103,789	9,475,247	6,904,669	2,850,741	25,008,458	12,325,988
Total Liabilities	<u>76,630,949</u>	<u>69,171,810</u>	<u>51,469,451</u>	<u>48,935,628</u>	<u>128,100,400</u>	<u>118,107,438</u>
Net assets:						
Invested in capital						
assets, net of related debt	101,147,347	102,162,696	28,937,151	30,565,733	130,084,498	132,728,429
Restricted	20,278,501	19,069,214	12,386,534	9,383,173	32,665,035	28,452,387
Unrestricted	(19,837,983)	(18,766,599)	330,584	1,782,324	(19,507,399)	(16,984,275)
Total Net Assets	<u>\$ 101,587,865</u>	<u>\$ 102,465,311</u>	<u>\$ 41,654,269</u>	<u>\$ 41,731,230</u>	<u>\$ 143,242,134</u>	<u>\$ 144,196,541</u>

The additional portion of the City's net assets includes \$32.67 million represents resources that are subject to external restrictions.

The City's net assets decreased by \$.96 million or .67 percent, during the fiscal year.

## City of Coachella's Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
REVENUES:	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
Program Revenues:						
Charges for services	\$ 1,724,510	\$ 2,059,526	\$ 9,845,780	\$ 8,550,740	\$ 11,570,290	\$ 10,610,266
Operating grants and contributions	3,860,007	5,200,469			3,860,007	5,200,469
Capital grants and contributions	4,440,478	6,020,309			4,440,478	6,020,309
General Revenues:						
Property taxes	14,936,877	13,914,451	52,479	71,761	14,989,356	13,986,212
Sales and Use Tax	2,331,260	3,129,624			2,331,260	3,129,624
Moter Vehicle In Lieu Tax	211,878	142,789			211,878	142,789
Franchise Taxes	669,991	528,086			669,991	528,086
Real Property Transfer Taxes	57,792	78,062			57,792	78,062
Other revenues	725,955	351,448			725,955	351,448
Interest and rental income	616,606	181,921	307,310	325,106	923,916	507,027
Net transfers		83,990		(83,990)		
TOTAL REVENUES	<u>29,575,354</u>	<u>31,690,675</u>	<u>10,205,569</u>	<u>8,863,617</u>	<u>39,780,923</u>	<u>40,554,292</u>
EXPENSES						
General government	4,605,459	5,705,993			4,605,459	5,705,993
Public safety	9,935,026	8,875,765			9,935,026	8,875,765
Public works	12,608,825	12,488,348			12,608,825	12,488,348
Parks & recreation	424,659	379,346			424,659	379,346
Interest on long-term debt	2,878,831	2,925,495			2,878,831	2,925,495
Operating expenses			10,282,530	9,620,029	10,282,530	9,620,029
TOTAL EXPENSES	<u>30,452,800</u>	<u>30,374,947</u>	<u>10,282,530</u>	<u>9,620,029</u>	<u>40,735,330</u>	<u>39,994,976</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(877,446)</u>	<u>1,315,688</u>	<u>(76,961)</u>	<u>(756,412)</u>	<u>(954,407)</u>	<u>559,276</u>
BEGINNING NET ASSETS	102,465,311	96,980,990	41,731,230	42,667,379	144,196,541	139,648,369
RESTATEMENT ON NET ASSETS		4,168,633		(179,737)	0	3,988,896
ENDING NET ASSETS	<u>\$ 101,587,865</u>	<u>\$ 102,465,311</u>	<u>\$ 41,654,269</u>	<u>\$ 41,731,230</u>	<u>\$ 143,242,134</u>	<u>\$ 144,196,541</u>

**Governmental activities:** Governmental activities decreased the City's net assets by \$0.88 million thereby accounting for 92 percent of the total decrease. Key elements of this decrease are as follows:

Charges for services are static directly reflecting the slowdown in residential development. Charges for service decreased \$.34 million, operating grants and contributions decreased \$1.3 million and capital grants and contributions decreased \$1.58 million. Property taxes increased \$1.0 million and other taxes and revenues increased \$.1 million.

Total expenses from governmental activities increased \$.08 million during the fiscal year. The majority of this increase is due to increases in Public Safety (\$1.06 million) and a decrease in General Government (\$1.1 million).

**Business-type Activities:** Business-type activities decreased net assets by \$.08 million or .2 percent. Business-type revenues increased \$1.3 million or 15 percent. During the same period, expenses increased \$.66 million due to increased operating expenses.

### **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 \$43.45 million, a decrease of \$1.3 million in comparison with the prior year. The total of fund balance is *non-spendable or restricted* to indicate that it is not available for new spending because it has already been committed to liquidated contracts and purchase orders of the prior period, pay debt service, or to pay for a variety of other restricted purposes.

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 \$.534 million; the total general fund balance reached \$7.54 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.68 percent of total general fund expenditures, while total fund balance represents 66 percent of the same amount.

The 2010-11 fund balance of the City's general fund is a net total of \$7.54 million which is an increase of \$.38 million from 2009-2010. General fund revenues are \$12.41 million with expenses at \$11.41 million which is an excess of \$.23 million. The other financing sources increased by \$1.11 million which brings the total of other financing sources to \$.84 million.

The Housing Grant Fund, a special revenue fund, ended the year with a fund balance of \$1.07 million. The net change in fund balance decreased \$.28 million.

At the end of the fiscal year the capital projects funds ended the year with a fund balance of \$11,432,396. This represents a fund balance decrease of \$.87 million.

Debt Service Funds are part of the RDA and ended the year with a fund balance of \$2.14 million.

**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 assets for proprietary funds finished the year at \$41.65 million. The Water Authority accounted for \$24.86 million of this total with the Sanitary District accounting for the remaining \$16.8 million.

The *Coachella Water Authority's* net assets decreased \$.4 million over fiscal year 2009-10. During the year, the Authority had total revenues and other financing sources of \$4.78 million and expenses and other financing uses of \$5.18 million. Therefore, expenses/other financing uses exceeded revenue/other financing sources by \$.4 million for the fiscal year. In addition, the Authority's total revenues/other financing sources increased \$.84 million or 21.3 percent under the previous fiscal year, while expenses/other financing uses increased \$.35 million or 7 percent.

During the year the Authority's capital assets increased \$.37 million due to various water projects which include supply lines and water wells.

The *Coachella Sanitary District's* net assets increased \$.32 million or 2 percent over fiscal year 2009-10. The District had revenues and other financing sources of \$5.43 million and expenses and other financing uses of \$5.1 million. Revenue/other financing sources exceeded expenses/other financing uses by \$.33 million for the 2010-11 fiscal year. Revenues/other financing sources increased \$.42 million or 8.4 percent while expenses/other financing uses increased \$.32 million or 6.6 percent.

The District's investment in capital assets decreased by \$2.0 million mainly due to depreciation.

### **Capital Asset and Debt Administration**

**Capital assets:** The City's investment in capital assets for its governmental and business-type activities at June 30, 2011, amounts to \$184.4 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 decrease which includes additions and deletions decreased \$2.1 million or 1.1 percent over the previous year.

## CITY OF COACHELLA'S CAPITAL ASSETS

(Net of depreciation)

	Governmental		Business Type		Total	
	Activities		Activities			
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
Land	\$ 7,227,824	\$ 6,366,607	\$ 887,772	\$ 649,936	\$ 8,115,596	\$ 7,016,543
Construction in progress	20,257,016	20,257,016	3,310,976	2,772,541	23,567,992	23,029,557
Buildings and improvements	4,289,021	2,753,951	790,558	261,640	5,079,579	3,015,591
Equipment	301,561	1,042,233	3,345,924	3,676,285	3,647,485	4,718,518
Infrastructure	75,462,200	78,809,480	66,335,853	68,425,204	141,798,053	147,234,684
<b>Totals</b>	<b>\$ 107,537,622</b>	<b>\$ 109,229,287</b>	<b>\$ 74,671,083</b>	<b>\$ 75,785,606</b>	<b>\$ 182,208,705</b>	<b>\$ 185,014,893</b>

A highlight of the major capital asset events during the current fiscal year included the following:

Enterprise Way Street Project	\$ 2,542,780
Ave 52 Pump Station	1,397,171
Harrison Avenue Intersection Project	533,830

## CITY OF COACHELLA'S LONG-TERM DEBT

	Governmental		Business Type		Total	
	Activities		Activities			
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
Compensated absences	\$ 555,743	\$ 571,239	\$ 290,265	\$ 307,408	\$ 846,008	\$ 878,647
Notes payable			19,960,470	20,983,114	19,960,470	20,983,114
Contracts and leases payable		81,591			0	81,591
Revenue bonds and notes	59,501,169	60,662,412	25,899,678	26,417,946	85,400,847	87,080,358
<b>Totals</b>	<b>\$ 60,056,912</b>	<b>\$ 61,315,242</b>	<b>\$ 46,150,413</b>	<b>\$ 47,708,468</b>	<b>\$ 106,207,325</b>	<b>\$ 109,023,710</b>

**Long-term debt:** At the end of the current fiscal year, the City's governmental activities had \$60.06 million in bonds, notes payable, contracts, and compensated absences compared to \$61.32 million last year, a decrease of \$1.26 million or 20.8 percent.

Business type activities had \$46.15 million in bonds, notes payable, contracts and compensated absences compared to \$47.71 million last year, a decrease of \$1.56 million or 3.3 percent

**Economic Factors and Next Year Budget:** The state's struggling economy has severely reduced expected revenues. Combine with rising state expenses, it is projected that the state will need \$3 billion in 2011-12 and \$10 billion in 2012-13 in budget solutions over the 2011-12 and 2012-13 fiscal years. Closing a projected \$13 billion budget shortfall will be a monumental task. Legislature must take major actions by reducing base spending and increasing revenues.



**State Budget Impact:** California's structural budget deficit persists. Slower rates of economic growth, softening state revenues and increased costs have widened California's budget gap. In January, the projected deficit for 2011-12 was \$27.2 billion. Left unaddressed, the projected gap would grow to \$46 billion based on updated revenue projections, revised caseload estimates and higher costs. The single largest factor contributing to the increase in the projected budget gap is a \$24 billion decrease in estimated General Fund revenues. Other factors include increased program costs, higher estimates of growth and costs of living adjustments, and erosion of savings due to delays in the adoption of reduction proposals.

**Sales Tax:** The City had experienced significant growth in sales tax revenues over the last few years and the future continues to look very encouraging. However in the fiscal year 2010-11 produced 15.1 percent increase. The largest increases were realized in service stations and food markets with a decrease in building materials-wholesale and auto sales – used. Transportation decreased 7 percent while construction decreased 13.0 percent. The City will continue to monitor closely as they have been impacted greatly by fluctuations in the overall economy. The City should see an increase with food products and general retail as new commercial centers continue to be developed.

**Revenue Outlook:** Fiscal year 2011-12 projections are \$13.89 million providing the City with a balanced budget. Taxes (\$10 million) and charges for services (\$1.6 million) are expected to be the major contributors in the fiscal year. The City is experiencing a slowdown in residential construction which has decreased 13 percent.

**Expenditure Outlook:** Fiscal year 2011-12 will see general fund expenditures of \$13.89 million. The Public Safety budget continues to dominate with a public safety contract of over \$8.0 million and is 38 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 recently approved Utility User Tax that is expected to provide \$1.8 million in new 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**

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**City of Coachella**  
**Statement of Net Assets**  
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 34,579,389	\$ 4,347,418	\$ 38,926,807
Restricted Cash and Investments	17,991,098	12,163,361	30,154,459
Accounts Receivable	749,921	1,143,374	1,893,295
Interest Receivable, Net	146,334	49,168	195,502
Taxes Receivable	20,628		20,628
Loans Receivable, Net	5,857,787		5,857,787
Prepaid Expenses and Deposits	702,862		702,862
Due from Other Funds	502,285	7,495	509,780
Due from Other Governments	5,960,908	49,628	6,010,536
Land Held for Resale	1,518,209		1,518,209
Unamortized Bond Issuance Costs	1,975,455	686,842	2,662,297
Capital Assets Not Being Depreciated	27,501,840	4,204,099	31,705,939
Capital Assets, Net of Depreciation	<u>80,712,098</u>	<u>70,472,335</u>	<u>151,184,433</u>
<b>Total Assets</b>	<u>178,218,814</u>	<u>93,123,720</u>	<u>271,342,534</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	4,235,391	684,985	4,920,376
Deposits and Other Liabilities	171,052	455,498	626,550
Due to Other Governments	301,815	3,679,552	3,981,367
Unearned Revenue	11,102,959		11,102,959
Interest Payable	710,941	499,003	1,209,944
Long-term Liabilities:			
Due Within One Year	1,581,631	1,585,631	3,167,262
Due in More than One Year	<u>58,527,160</u>	<u>44,564,782</u>	<u>103,091,942</u>
<b>Total Liabilities</b>	<u>76,630,949</u>	<u>51,469,451</u>	<u>128,100,400</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	101,147,347	28,937,151	130,084,498
Restricted for:			
Debt Service	2,141,374	223,173	2,364,547
Loans Receivable, Net	5,857,787		5,857,787
Prepaid Expenses and Deposits	702,862		702,862
Land Held for Resale	1,518,209		1,518,209
Public Works	11,424,778		11,424,778
Low/Moderate Housing	4,451,274		4,451,274
Capital Projects		12,163,361	12,163,361
Unrestricted	<u>(25,655,766)</u>	<u>330,584</u>	<u>(25,325,182)</u>
<b>Total Net Assets</b>	<u>\$ 101,587,865</u>	<u>\$ 41,654,269</u>	<u>\$ 143,242,134</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Activities**  
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 4,605,459	\$ 1,229,829	\$ 1,125,786	\$ -
Public Safety	9,935,026	57,173	1,188,471	-
Public Works	12,608,825	437,508	1,545,750	3,786,153
Parks and Recreation	424,659			654,325
Interest on Long-term Debt	2,878,831			
<b>Total Governmental Activities</b>	<b>30,452,800</b>	<b>1,724,510</b>	<b>3,860,007</b>	<b>4,440,478</b>
<b>Business-type Activities:</b>				
Water Utility	5,178,132	4,712,079		
Sewer Utility	5,104,398	5,133,701		
<b>Total Business-type Activities</b>	<b>10,282,530</b>	<b>9,845,780</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 40,735,330</b>	<b>\$ 11,570,290</b>	<b>\$ 3,860,007</b>	<b>\$ 4,440,478</b>

General Revenues:  
Property Taxes  
Sales and Use Tax  
Motor Vehicle In Lieu Tax  
Franchise Taxes  
Real Property Transfer Taxes  
Investment Income  
Other Revenue  
Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning of Year,

Net Assets, End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activites</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,249,844)	\$	\$ (2,249,844)
(8,689,382)		(8,689,382)
(6,839,414)		(6,839,414)
229,666		229,666
<u>(2,878,831)</u>		<u>(2,878,831)</u>
<u>(20,427,805)</u>	-	<u>(20,427,805)</u>
	(466,053)	(466,053)
	29,303	29,303
-	<u>(436,750)</u>	<u>(436,750)</u>
<u>(20,427,805)</u>	<u>(436,750)</u>	<u>(20,864,555)</u>
14,936,877	52,479	14,989,356
2,331,260		2,331,260
211,878		211,878
669,991		669,991
57,792		57,792
616,606	307,310	923,916
725,955		725,955
-	-	-
<u>19,550,359</u>	<u>359,789</u>	<u>19,910,148</u>
(877,446)	(76,961)	(954,407)
102,465,311	41,731,230	144,196,541
<u>\$ 101,587,865</u>	<u>\$ 41,654,269</u>	<u>\$ 143,242,134</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2011

	General Fund	Special Revenue		
		State Gas Tax Fund	Housing Grants	Development Impact Fund
<b>ASSETS</b>				
Cash and Investments	\$ 4,849,429	\$ 642,956	\$ 1,271,790	\$ 8,688,176
Restricted Cash and Investments		1,013,266		
Accounts Receivable	595,152			
Interest Receivable	27,347	4,496	5,202	39,624
Taxes Receivable				
Due from Other Governments	4,038,680			
Loans Receivable			4,277,629	
Due from Other Funds	240,536			
Prepays and Deposits	702,862			
Land Held for Resale				
<b>Total Assets</b>	<b>\$ 10,454,006</b>	<b>\$ 1,660,718</b>	<b>\$ 5,554,621</b>	<b>\$ 8,727,800</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$ 2,596,926	\$	\$ 210,281	\$ 3,850
Deposits and Other Liabilities	170,282			
Due to Other Governments	87			
Due to Other Funds	150,000			
Deferred Revenue			4,277,629	
<b>Total Liabilities</b>	<b>2,917,295</b>	<b>-</b>	<b>4,487,910</b>	<b>3,850</b>
<b>Fund Balances:</b>				
<b>Restricted - Nonspendable</b>				
Loans Receivable			4,277,629	
Prepays and Deposits	702,862			
Land Held for Resale				
<b>Restricted:</b>				
Debt Service				
<b>Unrestricted:</b>				
General Fund, Committed	6,201,479			
General Fund, Unassigned	534,481		(3,210,918)	
Committed - Encumbrances	97,889			
Special Revenue Funds, Assigned for Specific Programs		1,660,718		8,723,950
Capital Project Funds, Assigned for Specific Projects				
<b>Total Fund Balances</b>	<b>7,536,711</b>	<b>1,660,718</b>	<b>1,066,711</b>	<b>8,723,950</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,454,006</b>	<b>\$ 1,660,718</b>	<b>\$ 5,554,621</b>	<b>\$ 8,727,800</b>

The accompanying notes are an integral part of this statement.

Special Revenue	Capital Project		Debt Service	Administration	Other	Total
Redevelopment Agency	Redevelopment Agency	Capital Improvement Projects	Redevelopment Agency	Redevelopment Agency	Governmental Funds	Governmental Funds
\$ 1,609,149	\$ 2,646,126	\$	\$ 1,485,318	\$	\$ 13,386,445	\$ 34,579,389
4,077,849	9,307,190		3,592,793			17,991,098
227,187	12,344	3,094	5,022		151,675	749,921
			20,628		49,347	370,569
8,615,728	46,811	1,062,531			859,697	20,628
150,000			65,594			5,960,908
					46,155	12,940,168
24,226	1,493,983					502,285
						702,862
<u>\$ 14,704,139</u>	<u>\$ 13,506,454</u>	<u>\$ 1,065,625</u>	<u>\$ 5,169,355</u>	<u>\$</u>	<u>\$ 14,493,319</u>	<u>\$ 75,336,037</u>
\$ 54,742	\$ 205,916	\$ 769	\$ 4,064	\$ 55,285	\$ 1,103,558	\$ 4,235,391
					770	171,052
1,358,142	104,741	1,795,780	301,728			301,815
8,839,981	46,811	985,666	2,722,189	1,882,104	1,015,106	9,028,062
					3,999,541	18,149,628
<u>10,252,865</u>	<u>357,468</u>	<u>2,782,215</u>	<u>3,027,981</u>	<u>1,937,389</u>	<u>6,118,975</u>	<u>31,885,948</u>
8,765,728	46,811					13,090,168
24,226	1,493,983					702,862
						1,518,209
			2,141,374			2,141,374
(4,338,680)		(1,989,105)				6,201,479
	6,353	272,515				(9,004,222)
					39,649	416,406
					6,548,907	16,933,575
	<u>11,601,839</u>			<u>(1,937,389)</u>	<u>1,785,788</u>	<u>11,450,238</u>
<u>4,451,274</u>	<u>13,148,986</u>	<u>(1,716,590)</u>	<u>2,141,374</u>	<u>(1,937,389)</u>	<u>8,374,344</u>	<u>43,450,089</u>
<u>\$ 14,704,139</u>	<u>\$ 13,506,454</u>	<u>\$ 1,065,625</u>	<u>\$ 5,169,355</u>	<u>\$ -</u>	<u>\$ 14,493,319</u>	<u>\$ 75,336,037</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 Assets**  
June 30, 2011

Fund Balances of Governmental Funds	\$	43,450,089
<p>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</p>		
<p style="padding-left: 20px;">Assets that are not due and payable in the current period are not reported in the Funds.</p>		
Unamortized Bond Issuance Costs		1,975,455
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.		108,213,938
In governmental funds, other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the Funds		8,716,236
<p style="padding-left: 20px;">Long-term liabilities are not due and payable in the current period and are not reported in the Funds.</p>		
Interest Payable on Long-term Liabilities		(710,941)
Long-term Liabilities		(60,056,912)
		(60,767,853)
Net Assets of Governmental Activities	\$	101,587,865

The accompanying notes are an integral part of this statement.

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**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2011

	General Fund	Special Revenue		
		State Gas Tax Fund	Housing Grants	Development Impact Fund
<b>REVENUES</b>				
Taxes	\$ 10,130,555	\$	\$	\$
Licenses, Permits and Fees	328,074			
Charges for Services	473,887			
Fines, Forfeitures and Penalties	186,327			
Intergovernmental Revenue	63,272	929,852	554,481	
Developer Fees				1,422,190
Special Assessments	581,931			
Contributions				
Investment Income	47,377	41,687	14,622	128,451
Other Revenue	594,316			
<b>Total Revenues</b>	<b>12,405,739</b>	<b>971,539</b>	<b>569,103</b>	<b>1,550,641</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,196,866	3,194	852,586	47,679
Public Safety	7,838,391			
Public Works	2,152,430			
Parks and Recreation	223,202			
Capital Outlay				
Debt Service:				
Pass-through Agreements				
Principal Retirement		135,000		
Interest and Fiscal Charges		313,909		
<b>Total Expenditures</b>	<b>11,410,889</b>	<b>452,103</b>	<b>852,586</b>	<b>47,679</b>
Excess (Deficiency) of Revenues Over Expenditures	994,850	519,436	(283,483)	1,502,962
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,769,712			
Transfers Out	(2,531,184)	(728,618)		(1,151,215)
<b>Total Other Financing Sources (Uses)</b>	<b>(761,472)</b>	<b>(728,618)</b>	<b>-</b>	<b>(1,151,215)</b>
<b>Net Change in Fund Balances</b>	<b>233,378</b>	<b>(209,182)</b>	<b>(283,483)</b>	<b>351,747</b>
Fund Balances, Beginning of Year	7,156,451	1,869,900	1,350,194	8,372,203
Prior Period Adjustments	146,882			
<b>Fund Balances, End of Year</b>	<b>\$ 7,536,711</b>	<b>\$ 1,660,718</b>	<b>\$ 1,066,711</b>	<b>\$ 8,723,950</b>

The accompanying notes are an integral part of this statement.

Special Revenue	Capital Project		Debt Service	Administration	Other	Total
Redevelopment Agency	Redevelopment Agency	Capital Improvement Projects	Redevelopment Agency	Redevelopment Agency	Governmental Funds	Governmental Funds
\$ 1,526,799	\$	\$	\$ 6,107,194	\$	\$ 443,250	\$ 18,207,798
						328,074
					39,826	513,713
	163,873	1,118,912			1,960,444	186,327
						4,790,834
		770,733			1,143,718	1,422,190
10,996	40,813		170,938		161,716	1,725,649
5,640						770,733
						616,600
						599,956
<u>1,543,435</u>	<u>204,686</u>	<u>1,889,645</u>	<u>6,278,132</u>	<u>-</u>	<u>3,748,954</u>	<u>29,161,874</u>
450,201	73,463		92,262	1,539,428	40,737	4,296,416
					2,034,771	9,873,162
					5,523,441	7,675,871
		1,582,158			-	223,202
						1,582,158
			2,705,158			2,705,158
180,000			960,000		81,591	1,356,591
586,493			1,945,587		49,581	2,895,570
<u>1,216,694</u>	<u>73,463</u>	<u>1,582,158</u>	<u>5,703,007</u>	<u>1,539,428</u>	<u>7,730,121</u>	<u>30,608,128</u>
326,741	131,223	307,487	575,125	(1,539,428)	(3,981,167)	(1,446,254)
929,868	(1,469,967)	167,515	(929,868)	(397,961)	6,840,375	9,707,470
		(4,300)			(2,494,357)	(9,707,470)
929,868	(1,469,967)	163,215	(929,868)	(397,961)	4,346,018	-
1,256,609	(1,338,744)	470,702	(354,743)	(1,937,389)	364,851	(1,446,254)
3,194,665	14,487,730	(2,187,292)	2,496,117	-	8,009,493	44,749,461
						146,882
<u>\$ 4,451,274</u>	<u>\$ 13,148,986</u>	<u>\$ (1,716,590)</u>	<u>\$ 2,141,374</u>	<u>\$ (1,937,389)</u>	<u>\$ 8,374,344</u>	<u>\$ 43,450,089</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**  
Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (1,446,254)

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	2,750,000
Depreciation	(3,765,349)

Revenues in the Statement of Activities that do not provide current financial resources are not reported in the Funds.	373,934
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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 Assets.

Leases Payable	81,591
Long-term Debt Principal Payments	1,275,000
Claims Payable	(50,275)
Pension Related Debt Payments	126,433
OPEB Obligation	(189,915)

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.	32,639
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Governmental funds report bond issuance costs as an expense in the full amount as current financial resources are used. However, in the Statement of Activities the cost is amortized over the life of the debt.

Unamortized Bond Issuance Costs	(81,989)
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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	16,739
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Change in Net Assets of Governmental Activities	\$ (877,446)
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**City of Coachella**  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2011

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 1,300,857	\$ 3,046,561	\$ 4,347,418
Restricted Cash and Investments	3,980,350	8,183,011	12,163,361
Accounts Receivable, Net	577,787	565,587	1,143,374
Due from Other Funds		7,495	7,495
Due from Other Governments		49,628	49,628
Interest Receivable	20,591	28,577	49,168
<b>Total Current Assets</b>	<b>5,879,585</b>	<b>11,880,859</b>	<b>17,760,444</b>
Noncurrent Assets:			
Capital Assets Not Being Depreciated	2,789,023	1,415,076	4,204,099
Capital Assets Being Depreciated	56,995,159	55,123,965	112,119,124
Less: Accumulated Depreciation	(22,579,169)	(19,067,620)	(41,646,789)
Unamortized Bond Issuance Cost	487,611	199,231	686,842
<b>Total Noncurrent Assets</b>	<b>37,692,624</b>	<b>37,670,652</b>	<b>75,363,276</b>
<b>Total Assets</b>	<b>43,572,209</b>	<b>49,551,511</b>	<b>93,123,720</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	344,027	232,138	576,165
Accrued Wages Payable	57,305	51,515	108,820
Due to the City	1,077,558	2,601,994	3,679,552
Deposits Payable	455,498		455,498
Interest Payable	275,830	223,173	499,003
Bonds Payable - Current Portion	352,439	187,027	539,466
Loans Payable - Current Portion		1,046,165	1,046,165
<b>Total Current Liabilities</b>	<b>2,562,657</b>	<b>4,342,012</b>	<b>6,904,669</b>
Noncurrent Liabilities:			
Compensated Absences - Less Current Portion	164,436	125,829	290,265
Net OPEB Obligation	62,215	58,650	120,865
Bonds Payable - Less Current Portion	15,925,220	9,314,127	25,239,347
Loans Payable - Less Current Portion		18,914,305	18,914,305
<b>Total Noncurrent Liabilities</b>	<b>16,151,871</b>	<b>28,412,911</b>	<b>44,564,782</b>
<b>Total Liabilities</b>	<b>18,714,528</b>	<b>32,754,923</b>	<b>51,469,451</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	20,927,354	8,009,797	28,937,151
Restricted for:			
Capital Projects	3,980,350	8,183,011	12,163,361
Debt Service		223,173	223,173
Unrestricted	(50,023)	380,607	330,584
<b>Total Net Assets</b>	<b>\$ 24,857,681</b>	<b>\$ 16,796,588</b>	<b>\$ 41,654,269</b>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
Year Ended June 30, 2011

	Business-type Activities		Totals
	Enterprise Funds		
	Water Authority	Sanitary District	
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 4,493,293	\$ 4,611,760	\$ 9,105,053
Connection Charges	188,332	382,575	570,907
Other Revenue	30,454	139,366	169,820
Total Operating Revenue	<u>4,712,079</u>	<u>5,133,701</u>	<u>9,845,780</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	1,173,069	1,102,308	2,275,377
Administrative and General	719,593	865,984	1,585,577
Professional Services	238,079	346,187	584,266
Materials and Supplies	257,249	139,814	397,063
Repairs and Maintenance	115,381	81,230	196,611
Utilities	707,136	372,499	1,079,635
Depreciation and Amortization	1,211,352	1,294,415	2,505,767
Total Operating Expenses	<u>4,421,859</u>	<u>4,202,437</u>	<u>8,624,296</u>
Operating Income (Loss)	<u>290,220</u>	<u>931,264</u>	<u>1,221,484</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Property Taxes		52,479	52,479
Investment Income	64,540	242,770	307,310
Interest Expense and Fiscal Charges	(756,273)	(901,961)	(1,658,234)
Total Nonoperating Revenues (Expenses)	<u>(691,733)</u>	<u>(606,712)</u>	<u>(1,298,445)</u>
Change in Net Assets	(401,513)	324,552	(76,961)
Total Net Assets, Beginning of Year	<u>25,259,194</u>	<u>16,472,036</u>	<u>41,731,230</u>
Total Net Assets, End of Year	<u>\$ 24,857,681</u>	<u>\$ 16,796,588</u>	<u>\$ 41,654,269</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2011

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water Authority</b>	<b>Sanitary District</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 4,882,572	\$ 5,126,947	\$ 10,009,519
Cash Payments to Suppliers	(1,939,082)	(1,634,722)	(3,573,804)
Cash Payments to Employees for Services	(1,118,606)	(1,065,099)	(2,183,705)
Net Cash Provided (Used) by Operating Activities	<u>1,824,884</u>	<u>2,427,126</u>	<u>4,252,010</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Property Taxes Received		52,479	52,479
Net Cash Provided (Used) by Noncapital Financing Activities		<u>52,479</u>	<u>52,479</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Principal Paid on Long-Term Debt	(340,241)	(1,202,190)	(1,542,431)
Interest Paid on Long-Term Debt	(766,730)	(909,846)	(1,676,576)
Acquisition and Construction of Capital Assets	(901,108)	(442,051)	(1,343,159)
Contribution from Other Government	1,077,558	2,601,994	3,679,552
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(930,521)</u>	<u>47,907</u>	<u>(882,614)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	67,582	242,604	310,186
Net Cash Provided (Used) by Investing Activities	<u>67,582</u>	<u>242,604</u>	<u>310,186</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	961,945	2,770,116	3,732,061
Cash and Cash Equivalents - Beginning of the Year	<u>4,319,262</u>	<u>8,459,456</u>	<u>12,778,718</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 5,281,207</u>	<u>\$ 11,229,572</u>	<u>\$ 16,510,779</u>

The accompanying notes are an integral part of this statement.



**City of Coachella**  
**Statement of Cash Flows**  
**Proprietary Funds - Continued**  
For the Year Ended June 30, 2011

	<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	\$ 290,220	\$ 931,264	\$ 1,221,484
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,211,352	1,294,415	2,505,767
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	123,791	(6,754)	117,037
Increase (Decrease) in Accounts Payable	98,356	170,992	269,348
Increase (Decrease) in Due to the City	46,702		46,702
Increase (Decrease) in Accrued Payroll	9,950	17,720	27,670
Increase (Decrease) in Compensated Absences Payable	44,518	19,489	64,007
Increase (Decrease) in Net OPEB Obligation	(5)		(5)
<b>Net Cash Provided By Operating Activities</b>	<b><u>\$ 1,824,884</u></b>	<b><u>\$ 2,427,126</u></b>	<b><u>\$ 4,252,010</u></b>
<b>Noncash Investing, Capital and Financing Activities</b>			
Amortization of Premium/Discount on Bonds	<u>\$ 13,683</u>	<u>\$ 3,430</u>	<u>\$ 17,113</u>
Amortization of Bond Issue Costs	<u>22,165</u>	<u>8,389</u>	<u>30,554</u>

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2011**

**ASSETS**

Cash and Investments	\$	4,159,858
Cash and Investments with Fiscal Agent		6,326
Interest Receivable		10,837
Accounts Receivable		62,508
		62,508

Total Assets

\$ 4,239,529

**LIABILITIES**

Employee Contribution	\$	22,908
Pass-through Payable		2,688,854
Claims Payable		649
Due to Refuse Service Provider		141,084
Deposits Payable		1,386,034
		1,386,034

Total Liabilities

\$ 4,239,529

The accompanying notes are an integral part of this statement.

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

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**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**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 Redevelopment Agency, the Coachella Water Authority, the Coachella Sanitary District, the Coachella Fire Protection District, the Coachella Financing Authority, the Coachella Industrial Development Authority and the Coachella Educational and Governmental Access Channel Corporation. In accordance with GASB Statement No. 14, 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. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no discretely presented component units in these financial statements. Each blended component unit presented has a June 30 year end. The following is a brief review of each component unit included in the primary government's reporting entity.

Coachella Redevelopment Agency – The Coachella Redevelopment Agency (the Agency) was established pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law". The purpose of the Agency is to prepare and execute plans for the improvement, rehabilitation and redevelopment of blighted areas within the limits of the City of Coachella. The city provides management assistance to the Agency, and the members of the City Council also act as the governing body of the Agency. The Agency's activities are blended with those of the City in these financial statements and are reported as a special revenue fund, a debt service fund, and a capital project fund.

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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

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

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 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.

Coachella Financing Authority – The Coachella Financing Authority (the Authority) was formed to issue debt, loans and loan proceeds to the Agency and the City. The Authority's activities are blended with those of the City in these financial statements and are reported as a debt service fund.

Coachella Industrial Development Authority – The Coachella Industrial Development Authority (the Industrial Authority) was created for the purpose of financing and operating an industrial park located within the city limits. The Industrial Authority is considered a component unit of the City and has been blended into the City's financial statements for reporting purposes.

The Coachella Educational and Governmental Access channel Corporation – The Coachella Educational and Governmental Access Channel Corporation (the Corporation) was created to provide educational opportunities and enhance the community's understanding of government through the use of public television. The Corporation is considered a component unit of the City and has been blended into the City's financial statements for reporting purposes.

A component unit financial statement for each component unit previously described, excluding the Coachella Financing Authority, the Coachella Industrial Development Authority and the Coachella Educational and Governmental Access Channel Corporation, 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 Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of 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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or 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.

Fund Financial Statements: 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 are reported as separate columns in the fund financial statements.

New Accounting Pronouncements:

*Government Auditing Standards Board No. 54 (GASB 54)* "Fund Balance Reporting and Governmental Fund Type Definitions." For the fiscal year ended June 30, 2011, the City implemented GASB 54. The requirements of this statement are effective for financial statement periods beginning after June 15, 2011. GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing governmental fund type definitions. It establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. GASB 54 also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The definitions of the General Fund, special revenue fund, capital project, debt service and permanent fund types are also classified by this statement.

**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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

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

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 *Housing Grants Special Revenue Fund* is used to account for receipts and expenditures of grant funds from the U.S. Department of Housing and Urban Development.

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

The *Redevelopment Agency Special Revenue Fund* is used to account for low and moderate income housing activities within the Redevelopment Agency's Project Areas.

The *Redevelopment Agency Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of redevelopment projects and administrative expenses within the Redevelopment Agency's project areas.

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

The *Redevelopment Agency Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs within the Redevelopment Agency's project areas.

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 City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

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

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.

**D) Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances in the Governmental Funds Balance Sheet and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

**E) Restricted Assets**

Certain proceeds of bonds, notes and loans as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**F) 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.

**G) Investments**

As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value (see Note 2).

In applying GASB 31, the City utilized the following methods and assumptions:

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



**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

**G) Investments – Continued**

- 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 Fund Types the gain/loss from valuation will be reported within the "Investment Income" account on the Statement of Activities and the Statement of Revenues, Expenses and Changes in Net Assets for Proprietary Funds.

**H) 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.

**I) 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 construction phase of capital assets of business-type activities is reflected in capitalization value of the asset constructed, net of interest earned on 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 charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Assets. The range of lives used for depreciation purposes for each capital asset class is as follows:

<u>Assets</u>	<u>Years</u>
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

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

**J) 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.

**K) Fund Equity**

In the fund financial statements, governmental funds report fund balances based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

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

*Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the City's highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

*Assigned fund balance* – amounts that are constrained by the City's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the City's special revenue funds.

*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.

**L) Pass-Through Agreements**

In order to lessen the fiscal impact of the tax increment financings of redevelopment projects on other units of local governments, the Redevelopment Agency, as a component unit of the City, has entered into pass-through agreements with various governmental agencies to "pass-through" portions of tax increment funds received by the Redevelopment Agency, attributable to the area within the territorial limits of other agencies.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

**M) Tax Increment**

The Redevelopment Agency, a component unit of the City, follows a policy of what constitutes contractual obligations for the purpose of spending tax increment revenue. This policy holds that all expenditures of the Redevelopment Agency Capital Project Funds (i.e. salaries, goods and supplies, professional services, etc.) are contractual obligations. Monies are therefore transferred from the Redevelopment Agency Debt Service Funds to cover the costs of the expenditures from the Capital Project Funds. The Redevelopment Agency has no power to levy and collect taxes, and any legislative property tax de-emphasis might necessarily reduce the amount of tax revenues that would otherwise be available. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of tax revenues that would be available.

**N) 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, 2011, proceeds of taxes did not exceed appropriations.

**O) 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.

**P) 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.

**Q) 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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**2) CASH AND INVESTMENTS**

Cash and investments are classified as follows:

Statement of Net Assets:	
Cash and Investments	\$ 40,202,745
Restricted Cash and Investments	20,221,218
Statement of Fiduciary Assets:	
Cash and Investments	4,159,858
Cash and Investments with Fiscal Agent	<u>6,326</u>
Total Cash and Investments	<u>\$ 64,590,147</u>

Cash and investments consist of the following:

Petty Cash	\$ 1,650
Deposits with Financial Institutions	1,847,420
Investments	<u>62,741,077</u>
Total Cash and Investments	<u>\$ 64,590,147</u>

**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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

2) CASH AND INVESTMENTS – Continued

**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.

**Disclosure Relating to Interest Rate Risk**

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

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

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	\$ 5,840,606	\$ 841,256	\$ 750,293	\$ 4,249,057	\$
Corporate Bonds	4,152,382	318,436	1,083,456	2,750,490	
State Investment Pool - LAIF	25,246,980	25,246,980			
County Investment Pool	114,403	114,403			
U.S. Treasury Notes	6,689,556		2,126,097	4,563,459	
Money market Funds	590,343	590,343			
Held By Bond Trustee					
Investment Agreements	451,230	451,230			
Money Market Fund	14,755,414	14,755,414			
Federal Agency Securities	2,670,766			2,670,766	
Certificates of Deposit	1,726,242	160,012		1,566,230	
LAIF	503,155	503,155			
<b>Total</b>	<b>\$ 62,741,077</b>	<b>\$ 42,981,229</b>	<b>\$ 3,959,846</b>	<b>\$ 15,800,002</b>	<b>\$ 0</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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**2) CASH AND INVESTMENTS – Continued**

**Disclosures Relating to Credit Risk – Continued**

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 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	\$ 5,477,627	A	\$	\$ 5,477,627	\$	\$	\$	\$
Corporate Bonds	3,911,083	A			945,126	2,662,063	303,894	
State Investment Pool - LAIF	13,183,540	N/A						13,183,540
County Investment Pool	533,530	N/A		533,530				
U.S. Treasury Notes	6,267,766	N/A	6,267,766					
Money Market Funds	951,214	A		951,214				
Held By Bond Trustee:								
Investment Agreements	451,245	A						451,245
Money Market Fund	19,853,082	A		19,853,082				
Federal Agency Securities	2,549,515	A		2,549,515				
Certificates of Deposit LAIF	1,674,124 502,461	N/A N/A						1,674,124 502,461
<b>Total</b>	<b>\$ 55,355,187</b>		<b>\$ 6,267,766</b>	<b>\$ 29,364,968</b>	<b>\$ 945,126</b>	<b>\$ 2,662,063</b>	<b>\$ 303,894</b>	<b>\$ 15,811,370</b>

**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. 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 are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	U.S. Agency Securities	\$ 1,631,738
Federal Home Loan Bank	U.S. Agency Securities	\$ 852,124
Federal Home Loan Mortgage Corp.	U.S. Agency Securities	\$ 3,356,735

**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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**2) CASH AND INVESTMENTS – Continued**

**Custodial Credit Risk – Continued**

As of June 30, 2011, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2011, 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>
Investment Agreements	\$ 451,230
Money Market Fund	14,755,414
Federal Agency Securities	2,670,766
Certificates of Deposit	1,726,242
LAIF	503,155

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).

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 LAIF is a special fund of the California State treasury through which local governments may pool investments. Each City may invest up to \$50,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended June 30, 2011 was 0.48%. The amortized cost and estimated market value of the LAIF Pool at June 30, 2011 was \$66,352,783,817 and \$66,489,270,508, respectively. The City's share of the Pool at June 30, 2011 was approximately 0.0003805 percent.

Included in the LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes and asset-backed securities totaling \$1,100,000,000 and \$2,221,706,000. 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.

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**3) LOANS RECEIVABLE**

The City and Redevelopment Agency have 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 funds.

\$ 5,310,994

The Redevelopment Agency has loaned money to commercial and industrial businesses for improvement and economic development. The long-term loans receivable are deferred in the funds. An allowance for uncollectible accounts has been established for a \$906,000 loan in the statement of net assets. The loan receivable has accrued interest receivable of \$224,235. This amount is included in interest receivable in the Low/Mod Housing Set-Aside fund in the fund financial statements and is deferred. An allowance for uncollectible accounts has been established for the interest receivable in the statement of net assets for the full interest receivable on the loan.

1,452,793

The Agency has loaned money to Rancho Housing Alliance, Inc., a California public benefit corporation to acquire certain real property located at 84-824 Calle Verde, in the City of Coachella and within the Agency's Redevelopment Project Area 3 ("Project Area") consisting of nine acres of unimproved real property, in an area commonly known as "Calle Verde"; and acquired certain improved real property also known as Tract 31158 near Avenue 52 and Frederick Street in the City of Coachella and within the Project Area, in a subdivision commonly known as "Tierra Bonita". The maturity date of the Calle Verde Promissory Note shall be the fifth (5<sup>th</sup>) anniversary of the date of execution (July 27, 2007) of the Calle Verde Promissory Note by Maker. The maturity date of this Tierra Bonita Promissory Note shall be the first (1<sup>st</sup>) anniversary of the date of execution (July 27, 2001) of this Tierra Bonita Promissory Note. As of July 27, 2008, the Tierra Bonita Promissory Note was in default by the borrower.

The City of Coachella Redevelopment Agency has issued a default letter determining that both notes are due and payable as a result of Rancho Housing Alliance's failure to perform its contractual obligations pursuant to the Coachellita agreement. The Agency is actively negotiating with Rancho Housing Alliance in an attempt to settle the default dispute. The loans have been collateralized with land on which the Redevelopment Agency has a first trust deed and the Agency could foreclose on said loans. The outcome of this matter is unknown and the long-term receivable is deferred in the fund financial statements and an allowance for uncollectible accounts has been established in the statement of net assets for the full amount of the loan.

6,176,381

Total Loans Receivable

\$ 12,940,168



**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**4) CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Depreciated:				
Land	\$ 6,366,607	\$ 878,217	\$ -	\$ 7,244,824
Construction in Progress	20,257,016			20,257,016
Total Capital Assets, Not Depreciated	<u>26,623,623</u>	<u>878,217</u>	<u>-</u>	<u>27,501,840</u>
Capital Assets Being Depreciated:				
Buildings	5,375,832	1,871,783		7,247,615
Machinery and Equipment	6,875,787		(85,982)	6,789,805
Furniture and Fixtures	6,978			6,978
Infrastructure	113,558,674			113,558,674
Total Capital Assets Being Depreciated	<u>125,817,271</u>	<u>1,871,783</u>	<u>(85,982)</u>	<u>127,603,072</u>
Less Accumulated Depreciation:				
Buildings	(2,621,881)	(183,139)		(2,805,020)
Machinery and Equipment	(5,833,554)	(234,928)	85,982	(5,982,500)
Furniture and Fixtures	(6,978)			(6,978)
Infrastructure	(34,749,194)	(3,347,282)		(38,096,476)
Total Accumulated Depreciation	<u>(43,211,607)</u>	<u>(3,765,349)</u>	<u>85,982</u>	<u>(46,890,974)</u>
Total Capital Assets Being Depreciated, Net	<u>82,605,664</u>	<u>(1,893,566)</u>	<u>-</u>	<u>80,712,098</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 109,229,287</u>	<u>\$ (1,015,349)</u>	<u>\$ -</u>	<u>\$ 108,213,938</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General Government	\$ 188,379
Public Safety	61,864
Public Works	3,313,649
Parks and Recreation	201,457
Total Depreciation Expense - Governmental Activities	<u>\$ 3,765,349</u>

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**4) CAPITAL ASSETS – Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
<b>Capital Assets, Not Depreciated:</b>				
Land	\$ 649,936	\$ 237,836	\$	\$ 887,772
Construction in Progress	2,772,541	543,786		3,316,327
Total Capital Assets Not Depreciated	3,422,477	781,622	-	4,204,099
<b>Capital Assets Being Depreciated:</b>				
Buildings	680,329	721,383		1,401,712
Machinery and Equipment	11,462,820	53,118	(14,299)	11,501,639
Infrastructure	99,414,438		(198,666)	99,215,772
Total Capital Assets Being Depreciated	111,557,587	774,501	(212,965)	112,119,123
<b>Less Accumulated Depreciation:</b>				
Buildings	(418,689)	(17,008)		(435,697)
Machinery and Equipment	(7,776,535)	(379,184)	14,299	(8,141,420)
Infrastructure	(30,989,234)	(2,080,437)		(33,069,671)
Total Accumulated Depreciation	(39,184,458)	(2,476,629)	14,299	(41,646,788)
Total Capital Assets Being Depreciated, Net	72,373,129	(1,702,128)	(198,666)	70,472,335
Business-type Activities Capital Assets, Net of Depreciation	\$ 75,795,606	\$ (920,506)	\$ (198,666)	\$ 74,676,434

Depreciation was charged to functions/programs as follows:

<b>Business-type Activities:</b>	
Water	\$ 1,202,870
Sanitary	1,273,759
	\$ 2,476,629
<b>Total Depreciation Expense - Business-type Activities</b>	<b>\$ 2,476,629</b>

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

**5) 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)	\$ 571,239	\$	\$ 15,496	\$ 555,743	\$
Leases Payable					
Fire Truck	81,591		81,591	-	
Revenue Bonds					
1998 Tax Allocation Bonds	5,625,000		170,000	5,455,000	180,000
1999 Tax Allocation Bonds	1,085,000		95,000	990,000	100,000
2004 Tax Allocation Bonds, Series A	4,490,000		75,000	4,415,000	85,000
2004 Tax Allocation Bonds, Series B	8,750,000		165,000	8,585,000	165,000
2006 Tax Allocation Bonds, Series A	20,905,000		455,000	20,450,000	475,000
2006 Tax Allocation Bonds, Series B	9,690,000		180,000	9,510,000	195,000
Total Revenue Bonds	50,545,000	-	1,140,000	49,405,000	1,200,000
Certificated of Participation					
2008 Gas Tax COPS	6,985,000		135,000	6,850,000	140,000
Claims Payable	688,812	50,275		739,087	
Pension Related Debt	2,198,380		126,433	2,071,947	138,766
OPEB Obligation	245,220	189,915		435,135	
<b>Total</b>	<b>\$ 61,315,242</b>	<b>\$ 240,190</b>	<b>\$ 1,498,520</b>	<b>\$ 60,056,912</b>	<b>\$ 1,478,766</b>
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-type Activities:</b>					
Compensated Absences (Note 6)	\$ 307,408	\$ 64,007	\$ 81,150	\$ 290,265	\$
Loan Payable	20,983,114		1,022,644	19,960,470	1,046,165
Revenue Bonds					
2005A Wastewater	5,180,000		120,000	5,060,000	125,000
Bond Discounts	(84,897)	3,431		(81,466)	
Refunding Gain/Loss	(214,227)	11,686		(202,541)	
2005B Wastewater	4,784,707		59,546	4,725,161	62,027
2003 Water	11,365,000		290,000	11,075,000	300,000
Bond Premium	314,718		13,683	301,035	
2008 Water (USDA)	4,951,865		50,241	4,901,624	52,439
Total Revenue Bonds	26,297,166	15,117	533,470	25,778,813	539,466
OPEB Obligation	120,780	90	5	120,865	
<b>Total</b>	<b>\$ 47,708,468</b>	<b>\$ 79,214</b>	<b>\$ 1,637,269</b>	<b>\$ 46,150,413</b>	<b>\$ 1,585,631</b>

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

**Leases Payable**

*Governmental Activities:*

In March 2007 the City entered into a non-cancelable long-term lease with Kansas State Bank for a fire truck to be used by the City. The lease is for 1 payment of \$21,600 due April 3, 2001 and 5 annual payments of \$75,913 beginning June 22, 2007. The lease was paid in full during the year. The assets acquired under this lease were recorded at their acquisition cost of \$348,741. As of June 30, 2011, accumulated depreciation on the asset totaled \$84,215.

**Loan 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 full 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%.

Year Ending June 30,	Principal	Interest	Total
2012	\$ 1,046,165	\$ 476,731	\$ 1,522,896
2013	1,070,227	453,075	1,523,302
2014	1,094,842	428,875	1,523,717
2015	1,120,023	404,118	1,524,141
2016	1,145,784	378,792	1,524,576
2017-2021	6,136,548	1,493,206	7,629,754
2022-2026	6,875,468	766,746	7,642,214
2027	1,471,413	84,036	1,555,449
<b>Total</b>	<b>\$ 19,960,470</b>	<b>\$ 4,485,579</b>	<b>\$ 24,446,049</b>

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

**Revenue Bonds**

*Governmental Activities:*

On December 14, 1998, the Redevelopment Agency issued \$7,020,000 Tax Allocation Refunding Bonds, Series 1998 for Project Area 3, to advance refund the outstanding amount of the Agency's Project Area 3 Tax Allocation Refunding Bonds of 1989 to Advance refund the outstanding amount of the Agency's Project Area 3 Tax Allocation Bonds of 1991 and to finance on-going redevelopment activities. Interest on the bonds I payable June 1 and December 1 of each year. Interest on the bonds accrues at rates varying from 3.85% to 5.875% per annum. Principal on term bonds is payable in annual installments ranging from \$100,000 to \$470,000 commencing December 1, 1999, through December 1, 2028. At June 30, 2011, the Agency has a cash reserve balance for debt service of \$502,560 which is sufficient to cover the Bond Indenture Reserve Requirement.

\$5,455,000

On September 17, 1999, the Redevelopment Agency issued \$1,895,000 Tax Allocation Refunding Bonds, Series 1999 for Project Area 2, to refund the outstanding amount of the Agency's Project area 2 Tax Allocation Refunding Bonds of 1989 and to finance on-going redevelopment activities. Interest on the bonds is payable June 1 and December 1 of each year. Interest on the bonds accrues at rates varying from 4.40% to 6.15% per annum. Principal on serial bonds is payable in annual installments ranging from \$55,000 to \$150,000 commencing June 1, 2000, through June 1, 2019. At June 30, 2011, the Agency has a cash reserve balance for debt service of \$160,106 which is sufficient to cover the Bond Indenture Reserve Requirement.

990,000

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 Coachella Redevelopment Agency pursuant to two (2) loan agreements between the two entities. The two loans consist of one loan each to Project Area 1 and Project Area 2. The proceeds from the loan to Project Area 1 were 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 proceeds from the loan to Project Area 2 were 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 I and December 1 of each year. Interest on the bonds accrues at rates varying from 1.85% to 5.25% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$65,000 to \$405,000 commencing December 1, 2005 through December 1, 2030. At June 30, 2011, the Authority has a cash reserve balance for debt service of \$447,383 which is sufficient to cover the Bonds Indenture Reserve Requirement.

4,415,000

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 Coachella 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 on the bonds accrues at rates varying from 1.80% to 5.25% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$145,000 to \$680,000 commencing September 1, 2005, through September 1, 2034. At June 30, 2011, the Authority has a cash reserve balance for debt service of \$748,702 which is sufficient to cover the Bond Indenture Reserve Requirement.

8,585,000

**City of Coachella**  
**Notes to Financial Statements**  
June 30, 2011

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

**Revenue Bonds – Continued**

*Governmental Activities:*

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 on the bonds accrues at rates varying from 3.45% to 5.25% per annum. Principal on serial and term bonds 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, 2011, the Agency has a cash reserve balance for debt service of \$1,734,042 which is sufficient to cover the Bond Indenture Reserve Requirement.

\$20,450,000

On May 9, 2006, the 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 on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 5.30% to 6.25% per annum. Principal on term bonds is payable in annual installments ranging from \$125,000 to \$735,000 commencing on September 1, 2006, through September 1, 2036. At June 30, 2011, the Agency has a cash reserve balance for debt service of \$925,624 which is sufficient to cover the Bond Indenture Reserve Requirement.

9,510,000

Total Revenue Bonds – Government Activities

\$49,405,000

*Business-types 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 on the bonds is payable October 1 and April 1 of each year. Interest on the bonds accrues at rates varying from 3.00% to 4.70% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$105,000 to \$335,000 commencing April 1, 2006, through April 1, 2035. At June 30, 2011, the cash reserve balance for debt service is \$369,452 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, 2011, the District met the rate covenant as required by the bond indenture.

\$ 5,060,000

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 on the bonds is payable September 26 and March 26 of each year. Interest on the bonds accrues at 4.125% per annum. Principal on the bonds is payable in annual installments ranging from \$50,573 to \$248,591 commencing September 26, 2006, through September 26, 2045.

4,725,161

On July 15, 2003, the Coachella Water Authority issued \$13,410,000 Water Revenue Bonds, Series 2003 to advance refund the outstanding amount of the Water Revenue Refunding Certificates of Participation Series 1992 and to finance on-going capital improvements to the water system. Interest on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.63% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$245,000 to \$795,000 commencing March 1, 2004, through March 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, 2011, the Authority met the rate covenant as required by the bond indenture.

11,075,000

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**5) LONG-TERM LIABILITIES – Continued**

**Revenue Bonds – Continued**

*Business-types Activities:*

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 on the bonds is payable January 1 and July 1 each year, and accrues at 4.375% per annum. Principal on the bonds is payable in annual installments ranging from \$48,135 to \$255,746 commencing July 1, 2009, through July 1, 2048.

\$ 4,901,624

Total Revenue Bonds – Business Activities

\$ 25,761,785

The future debt requirements of the Government Activities Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 1,200,000	\$ 2,501,195	\$ 3,701,195
2013	1,245,000	2,448,270	3,693,270
2014	1,305,000	2,391,620	3,696,620
2015	1,355,000	2,331,026	3,686,026
2016	1,425,000	2,267,303	3,692,303
2017-2021	8,235,000	10,221,187	18,456,187
2022-2026	10,485,000	7,942,677	18,427,677
2027-2031	13,450,000	4,938,715	18,388,715
2032-2036	9,025,000	1,711,359	10,736,359
2037-2038	1,680,000	92,709	1,772,709
<b>Total</b>	<u>\$ 49,405,000</u>	<u>\$ 36,846,061</u>	<u>\$ 86,251,061</u>

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

Year Ending June 30,	Principal	Interest	Total
2012	\$ 539,466	\$ 1,172,942	\$ 1,712,408
2013	564,345	1,151,019	1,715,364
2014	584,433	1,128,873	1,713,306
2015	609,737	1,105,742	1,715,479
2016	635,268	1,081,371	1,716,639
2017-2021	3,612,914	4,969,629	8,582,543
2022-2026	4,546,180	4,049,229	8,595,409
2027-2031	5,735,860	2,869,951	8,605,811
2032-2036	4,246,579	1,501,711	5,748,290
2037-2041	1,770,204	845,691	2,615,895
2042-2046	2,181,365	435,687	2,617,052
2047-2049	735,434	49,182	784,616
<b>Total</b>	<u>\$ 25,761,785</u>	<u>\$ 20,361,027</u>	<u>\$ 46,122,812</u>

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

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

**Certificates of Participation**

*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 on the bonds is payable June 1 and December 1 of each year. Interest on the bonds accrues at rates carrying from 4.00% to 4.96% per annum. Principal on term bonds is payable in annual installments ranging from \$90,000 to \$430,000 commencing June 1, 2009, through June 1, 2037. At June 30, 2011, the Agency has a cash reserve balance for debt service of \$451,238 which is sufficient to cover the Bond indenture Reserve Requirement.

Total Certificates of Participation – Governmental Activities \$ 6,850,000

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

Year Ending June 30,	Principal	Interest	Total
2012	\$ 140,000	\$ 308,509	\$ 448,509
2013	145,000	302,909	447,909
2014	150,000	297,109	447,109
2015	160,000	291,109	451,109
2016	165,000	284,708	449,708
2017-2021	920,000	1,319,940	2,239,940
2022-2026	1,130,000	1,110,828	2,240,828
2027-2031	1,415,000	829,946	2,244,946
2032-2036	1,785,000	461,700	2,246,700
2037	840,000	60,333	900,333
<b>Total</b>	<u>\$ 6,850,000</u>	<u>\$ 5,267,091</u>	<u>\$ 12,117,091</u>

**Pension Related Debt**

As of June 30, 2003, CalPERS implemented risk pooling for the City's multiple-employer public employee defined benefit pension plan. At that point, in accordance with generally accepted accounting principles, the City's Miscellaneous and Safety Plans converted from an "agent" multiple-employer plan to a "cost-sharing" multiple-employer plan. Although a portion of the City's annual required contributions are actuarially determined and shared by all the employers of the risk pool, the City is also required to make annual payments on a "Side Fund" which was created when the City entered the risk pool. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt. Principal and interest are included in the retirement expenditures in the various functions of the governmental funds.



**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

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

**Pension Related Debt – Continued**

The future debt service requirements on the Miscellaneous Plan Side Fund are as follows:

Year Ending June 30,	Pension-related Debt		Total
	Principal	Interest	
2012	\$ 8,994	\$ 68,571	\$ 77,565
2013	12,307	67,778	80,085
2014	15,963	66,725	82,688
2015	19,989	65,386	85,375
2016	24,419	63,731	88,150
2017	29,285	61,730	91,015
2018	34,625	59,347	93,972
2019	40,479	56,548	97,027
2020	46,889	53,291	100,180
2021	53,903	49,533	103,436
2022	61,570	45,228	106,798
2023	69,944	40,324	110,268
2024	79,085	34,767	113,852
2025	89,055	28,497	117,552
2026	99,922	21,450	121,372
2027	111,761	13,556	125,317
2028	124,650	4,740	129,390
<b>Total</b>	<b>\$ 922,840</b>	<b>\$ 801,202</b>	<b>\$ 1,724,042</b>

The future debt service requirements on the Safety Plan Side Fund are as follows:

Year Ending June 30,	Pension-related Debt		Total
	Principal	Interest	
2012	\$ 129,772	\$ 81,039	\$ 210,811
2013	139,828	70,983	210,811
2014	150,667	60,145	210,812
2015	162,344	48,469	210,813
2016	174,925	35,887	210,812
2017	188,482	22,330	210,812
2018	203,089	7,723	210,812
<b>Total</b>	<b>\$ 1,149,107</b>	<b>\$ 326,576</b>	<b>\$ 1,475,683</b>

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**6) COMPENSATED ABSENCES**

For governmental fund and proprietary funds, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$555,743 and \$290,265, respectively at June 30, 2011. These amounts are payable from future resources and therefore have been recorded in long-term liabilities 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.

**7) INTER-FUND 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 transfers are as follows:

	General Fund	RDA Capital Projects Fund	Capital Improvement Projects Fund	Non-Major Governmental Funds	Total
General Fund	\$	\$	\$	\$ 2,531,184	\$ 2,531,184
State Gas Tax Fund				728,618	728,618
RDA Special Revenue Fund				1,469,967	1,469,967
TRANSFERS OUT RDA Debt Service Fund		929,868			929,868
RDA Administration Agency				397,961	397,961
Development Impact				1,151,215	1,151,215
Capital Improvement Projects				4,300	4,300
Non-major Governmental Funds	<u>1,769,712</u>	<u>          </u>	<u>167,515</u>	<u>557,130</u>	<u>2,494,357</u>
Total	<u>\$ 1,769,712</u>	<u>\$ 929,868</u>	<u>\$ 167,515</u>	<u>\$ 6,840,375</u>	<u>\$ 9,707,470</u>

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**7) INTER-FUND TRANSFERS – Continued**

Transfers made from the General Fund to the Non-major Governmental funds of \$2,531,184 were to cover various expenditures in the Fire Protection District. Transfers made to the General Fund of \$1,769,712 from various governmental funds were to cover expenditures for police services and street maintenance.

**8) FUND BALANCE RESERVES AND DESIGNATIONS**

In the Fund Financial Statements, the City has established “reserves” to segregate portions of fund balance which are not appropriate for expenditure in future periods, or which are legally set aside for a specific future use. Fund balance “designations” also are established to indicate tentative plans for financial resource utilization of unreserved fund balance in a future period.

The designated fund balance of the General Fund at June 30, 2011 is made up of the following City Council designations:

Contingency Reserve	\$	3,523,736
Single Incident Liability Coverage		125,000
Workers Compensation		125,000
Personnel Separation		555,743
Avenue 49 Off-site Rd. Improvement		700,000
City Hall Plan & Design		100,000
OPEB Set-Aside		1,072,000
Total General Government	\$	6,201,479

**Reserved for Encumbrances**

This reserve was established to reflect encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed in governmental funds in such a manner that they will not be considered as available spendable resources.

**Reserved for Land Held Resale**

This reserve was established to remove land held for resale from current fund balances in such a manner that they will not be considered as available spendable resources.

**Reserved for Debt Service**

This reserve was established for cash restrictions for future debt service in such a manner that they will not be considered as available spendable resources.

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**9) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**Non-Major Funds Deficit Fund Balances**

The following non-major funds had deficit fund balances as of June 30, 2011 as follows:

Special Revenue Funds:	
SB 821 Sidewalks	\$ 132,075
ECD Entitlement Programs	\$ 265,019

**10) CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**

**Plan Description**

The City of Coachella's Defined Benefit Pension Plan (Plan) provides retirement, disability, annual cost of living adjustments and death benefits to plan member and their beneficiaries. The Plan is part of the public agency portion of the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the state of California. State statutes establish a menu of benefit provisions as well as other requirements with the Public Employees' Retirement Law.

The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City ordinance. CalPERS issue a publicly available financial report that includes the applicable financial statements and required supplementary information. The report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

**Funding Policy**

Active plan members are required to contribute a percentage of their annual covered salary. The City of Coachella pays the member contributions for the Miscellaneous Plan of 8%. The City is required to make an additional contribution at an actuarially determined rate. The required employer contribution rate for the fiscal year 2010-11 was 14.160%, as determined by the June 30, 2008 actuarial valuation using the entry age normal actuarial cost.

The following represents the required contributions for the past three fiscal years:

**Miscellaneous Employees**

Fiscal Year	Required Contribution	Percent Contributed
6/30/09	\$ 1,026,422	100%
6/30/10	\$ 846,422	100%
6/30/11	\$ 653,979	100%

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**10) CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) – Continued**

**Safety Employees**

At one time the City of Coachella had its own police force. It was disbanded and now the City contract with the County Sheriff for police services. For 2011-12, the City's annual pension cost, for safety employees, of \$0 for PERS was equal to the City's required and actual contributions. The required contribution for fiscal year 2010-11 was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method.

Fiscal Year	Required Contribution	Percent Contributed
6/30/09	\$ 0	100%
6/30/10	\$ 0	100%
6/30/11	\$ 0	100%

**11) 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.

**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 2011, the monthly dollar cap is \$226 for management and elected officials and \$95 for confidential mid-management, sanitary and miscellaneous employees.

**Annual OPEB Cost**

For 2011, 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.

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**11) POST EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Cost – Continued**

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

Annual Required Contribution	\$	229,700
Interest on Net OPEB Obligation		15,600
Adjustment to Annual Required Contribution		<u>(27,200)</u>
Annual OPEB Cost (Expense)		218,100
Contributions Made		<u>(28,100)</u>
Increase in Net OPEB Obligation		190,000
Net OPEB Obligation - Beginning of the Year		<u>366,000</u>
Net OPEB Obligation - End of the Year	\$	<u><u>556,000</u></u>

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, 2011 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
6/30/11	\$ 218,100	12.9%	556,000
6/30/10	202,800	8.5%	366,000
6/30/09	189,000	4.6%	180,400

**Funding Status and Funding Progress**

The funded status of the plan as of January 1, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$	1,131,000
Actuarial Value of Plan Assets	\$	0
Unfunded Actuarial Accrued Liability (UALL)	\$	1,131,000
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0%
Covered Payroll (Active Plan Members)	\$	5,206,000
UAAL as a Percentage of Covered Payroll		21.7%

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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.

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**11) POST EMPLOYMENT BENEFITS – Continued**

**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 methods:

The following is a summary of the actuarial assumptions and methods:

Valuation Date	June 30, 2008
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	16 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increase	3.25% to 14.45%
Payroll Growth	3.25%
General Inflation	3.00%

**12) 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: \$25,000 for flood, \$25,000 for earthquake sprinkler leakage; \$2,500 electronic data processing; 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**  
Year Ended June 30, 2011

**12) 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, 2011, the amount of these liabilities was \$790,966. 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, 2011	Year Ended June 30, 2010
Claims payable, beginning of fiscal year	\$ 688,812	\$ 644,390
Current year claims and changes in estimates	102,154	44,422
Claims payments		
Claims payable, end of fiscal year	<u>\$ 790,966</u>	<u>\$ 688,812</u>

**13) 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.

On February 19, 2008, the Coachella Sanitary District agreed to sign a letter of credit with the United States Department of Agriculture (USDA) to obligate \$5,000,000 of a Rural Development loan for the purpose of increasing and modifying the existing sewer system pipeline. The agreement will not consummate until the project has been completed. Interest on the loan accrues at 4.375% for a period of 40 years. As of June 30, 2011, the project has not been completed.

At June 30, 2011, 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.

**14) 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.



**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**14) JOINT VENTURES– Continued**

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.

**15) PRIOR PERIOD ADJUSTMENTS**

The prior period adjustment in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General fund of \$146,882 is the result of recording deferred revenue of \$146,882 as previously recognized in the prior year. Management determined that this entry was necessary to adjust the General Fund fund balance to actual.

**16) PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA**

Under the provisions of Proposition 1A and as part of the 2010-11 budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and the supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$500,356.

Authorized with the 2010-11 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (“California Communities”), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (“Prop 1A Bonds”) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its right under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**City of Coachella**  
**Notes to Financial Statements**  
Year Ended June 30, 2011

**17) OTHER INFORMATION**

**New Accounting Pronouncements**

GASB Statement No. 55: - GASB issued Statement No. 55, *The Hierarchy of General Accepted Accounting Principles for State and Local Governments*.

GASB Statement No. 56: - GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

GASB Statement No. 57: - GASB issued Statement No. 57, *OPEB Measurements by Agent Employees and Agent Multiple-Employer Plans*.

GASB Statement No. 60: - GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*.

GASB Statement No. 62: - GASB issued Statement No. 62, *Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB Statement No. 63: - GASB issued Statement No. 63, *Financial Reporting and Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB Statement No. 64: - GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions (an amendment of GASB Statement No. 53)*.

**18) SUBSEQUENT EVENTS**

Subsequent to year-end, the State of California has been working on resolving State budget deficits. Included in the Governor's current proposals is the elimination of redevelopment agencies throughout California. It is unknown at this time if this proposal will become part of the State's final budget, or what effect it will have on the City's Redevelopment Agency.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 9,560,216	\$ 9,560,216	\$ 10,130,555	\$ 570,339
Licenses, Permits and Fees	518,124	518,124	328,074	(190,050)
Charges for Services	1,141,345	1,141,345	473,887	(667,458)
Fines, Forfeitures and Penalties	140,150	140,150	186,327	46,177
Intergovernmental Revenue		-	63,272	63,272
Special Assessments		-	581,931	581,931
Investment Income	244,424	244,424	47,377	(197,047)
Other Revenue	155,827	155,827	594,316	438,489
Total Revenues	<u>11,760,086</u>	<u>11,760,086</u>	<u>12,405,739</u>	<u>645,653</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,734,537	3,734,537	1,196,866	2,537,671
Public Safety	8,145,706	8,145,706	7,838,391	307,315
Public Works	772,478	772,478	2,152,430	(1,379,952)
Parks and Recreation	610,299	610,299	223,202	387,097
Total Expenditures	<u>13,263,020</u>	<u>13,263,020</u>	<u>11,410,889</u>	<u>1,852,131</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,502,934)</u>	<u>(1,502,934)</u>	<u>994,850</u>	<u>2,497,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,527,936	1,527,936	1,769,712	241,776
Transfers Out	(66,086)	(66,086)	(2,531,184)	(2,465,098)
Total Other Financing Sources (Uses)	<u>1,461,850</u>	<u>1,461,850</u>	<u>(761,472)</u>	<u>(2,223,322)</u>
Net Change in Fund Balances	<u>\$ (41,084)</u>	<u>\$ (41,084)</u>	233,378	<u>\$ 274,462</u>
Fund Balance, Beginning of Year			7,156,451	
Prior Period Adjustments			<u>146,882</u>	
Fund Balance, End of Year			<u>\$ 7,536,711</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - State Gas Tax Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 1,041,781	\$ 1,041,781	\$ 929,852	\$ (111,929)
Investment Income	300	300	41,687	41,387
Total Revenues	<u>1,042,081</u>	<u>1,042,081</u>	<u>971,539</u>	<u>(70,542)</u>
<b>EXPENDITURES</b>				
Current:				
General Government			3,194	(3,194)
Debt Service:				
Principal Retirement	135,000	135,000	135,000	-
Interest and Fiscal Charges	313,910	313,910	313,909	1
Total Expenditures	<u>448,910</u>	<u>448,910</u>	<u>452,103</u>	<u>(3,193)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>593,171</u>	<u>593,171</u>	<u>519,436</u>	<u>(73,735)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			0	0
Transfers Out	(612,881)	(612,881)	(728,618)	(115,737)
Total Other Financing Sources (Uses)	<u>(612,881)</u>	<u>(612,881)</u>	<u>(728,618)</u>	<u>(115,737)</u>
Net Change in Fund Balances	<u>\$ (19,710)</u>	<u>\$ (19,710)</u>	(209,182)	<u>\$ (189,472)</u>
Fund Balances, Beginning of Year			<u>1,869,900</u>	
Fund Balance, End of Year			<u>\$ 1,660,718</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Housing Grants Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue			\$ 554,481	\$ 554,481
Investment Income	2,456	2,456	14,622	12,166
Total Revenues	<u>2,456</u>	<u>2,456</u>	<u>569,103</u>	<u>566,647</u>
<b>EXPENDITURES</b>				
Current:				
General Government			852,586	(852,586)
Total Expenditures	<u>-</u>	<u>-</u>	<u>852,586</u>	<u>(852,586)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,456</u>	<u>\$ 2,456</u>	(283,483)	<u>\$ (285,939)</u>
Fund Balance, Beginning of Year			<u>1,350,194</u>	
Fund Balance, End of Year			<u>\$ 1,066,711</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Development Impact Special Revenue Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Developer Fees	\$ 3,399,196	\$ 3,399,196	\$ 1,422,190	\$(1,977,006)
Investment Income	14,328	14,328	128,451	114,123
Total Revenues	<u>3,413,524</u>	<u>3,413,524</u>	<u>1,550,641</u>	<u>(1,862,883)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	48,748	48,748	47,679	1,069
Total Expenditures	<u>-</u>	<u>48,748</u>	<u>47,679</u>	<u>1,069</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,413,524</u>	<u>3,364,776</u>	<u>1,502,962</u>	<u>(1,861,814)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out	(800,000)	(800,000)	(1,151,215)	(351,215)
Total Other Financing Sources (Uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(1,151,215)</u>	<u>(351,215)</u>
Net Change in Fund Balances	<u>\$ 2,613,524</u>	<u>\$ 2,564,776</u>	351,747	<u>\$(2,213,029)</u>
Fund Balance, Beginning of Year			<u>8,372,203</u>	
Fund Balance, End of Year			<u>\$ 8,723,950</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Redevelopment Agency Special Revenue Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,526,799	\$ 1,526,799
Investment Income	3,294	3,294	10,996	7,702
Other Revenue			5,640	5,640
Total Revenues	<u>3,294</u>	<u>3,294</u>	<u>1,543,435</u>	<u>1,540,141</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,312,297	1,312,297	450,201	862,096
Principal Retirement			180,000	(180,000)
Interest and Fiscal Charges			586,493	(586,493)
Total Expenditures	<u>1,312,297</u>	<u>1,312,297</u>	<u>1,216,694</u>	<u>95,603</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,309,003)</u>	<u>(1,309,003)</u>	<u>326,741</u>	<u>1,635,744</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,555,384	1,555,384	929,868	(625,516)
Transfers Out				-
Total Other Financing Sources (Uses)	<u>1,555,384</u>	<u>1,555,384</u>	<u>929,868</u>	<u>(625,516)</u>
Net Change in Fund Balances	<u>\$ 246,381</u>	<u>\$ 246,381</u>	1,256,609	<u>\$ 1,010,228</u>
Fund Balance, Beginning of Year			<u>3,194,665</u>	
Fund Balance, End of Year			<u>\$ 4,451,274</u>	



**City of Coachella**  
**Notes to Required Supplementary Information**  
Year Ended June 30, 2011

**BUDGETARY DATA**

Revenues and expenditures accounted for in the governmental funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations.

Budgets have been adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for nearly all governmental funds.

Budgetary control is exercised at the departmental level. Accordingly, department heads are authorized to make transfers between budgeted line items within their respective departments. Interdepartmental transfers within funds require City Manager authorization; all other changes to the budget must be authorized by the City Council.

Excess of expenditures over appropriations in individual major funds are as follows:

<u>Fund</u>	<u>Excess Expenditures</u>
State Gas Tax	\$ 3,193
Housing Grants	\$ 852,586

**City of Coachella**  
**Schedule of Funding Progress for CRHP**  
Year Ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll ©	UUAL as a Percentage of Covered Payroll [(B-A)/C]
01/01/09	\$ -	\$ 1,131,000	\$ 1,131,000	0%	\$ 5,206,000	21.7%

\*GASB 45 was implemented prospectively in fiscal year 2009. There are no previous actuarial valuations.

**SUPPLEMENTARY INFORMATION**

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Redevelopment Agency Capital Project Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$	\$	\$ 163,873	\$ 163,873
Investment Income	133,048	133,048	40,813	(92,235)
Total Revenues	133,048	133,048	204,686	71,638
<b>EXPENDITURES</b>				
Current:				
General Government			73,463	(73,463)
Total Expenditures	-	-	73,463	(73,463)
Excess (Deficiency) of Revenues over Expenditures	133,048	133,048	131,223	(1,825)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	7,960,687	7,960,687		(7,960,687)
Transfers In	2,095,000	2,095,000		(2,095,000)
Transfers Out	(2,095,000)	(2,095,000)	(1,469,967)	625,033
Total Other Financing Sources (Uses)	7,960,687	7,960,687	(1,469,967)	(9,430,654)
Net Change in Fund Balances	<u>\$ 8,093,735</u>	<u>\$ 8,093,735</u>	(1,338,744)	<u>\$ (9,432,479)</u>
Fund Balance, Beginning of Year			14,487,730	
Fund Balance, End of Year			<u>\$ 13,148,986</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Improvement Capital Project Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$	\$	\$ 1,118,912	\$ 1,118,912
Contributions			770,733	770,733
Other Revenue				-
Total Revenues	-	-	1,889,645	1,889,645
<b>EXPENDITURES</b>				
Capital Outlay	21,433,000	21,433,000	1,582,158	19,850,842
Total Expenditures	21,433,000	21,433,000	1,582,158	19,850,842
Excess (Deficiency) of Revenues over Expenditures	(21,433,000)	(21,433,000)	307,487	21,740,487
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			167,515	167,515
Transfers Out			(4,300)	(4,300)
Total Other Financing Sources (Uses)	-	-	163,215	163,215
Net Change in Fund Balances	<u>\$(21,433,000)</u>	<u>\$(21,433,000)</u>	470,702	<u>\$ 21,903,702</u>
Fund Balance, Beginning of Year			(2,187,292)	
Fund Balance, End of Year			<u>\$(1,716,590)</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Redevelopment Agency Debt Service Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,950,504	\$ 7,950,504	\$ 6,107,194	\$ (1,843,310)
Investment Income	10,183	10,183	170,938	160,755
Total Revenues	<u>7,960,687</u>	<u>7,960,687</u>	<u>6,278,132</u>	<u>(1,682,555)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	707,619	707,619	92,262	615,357
Debt Service:				
Pass-through Agreements	1,562,993	1,562,993	2,705,158	(1,142,165)
Principal Retirement	960,000	960,000	960,000	-
Interest and Fiscal Charges	1,959,166	1,959,166	1,945,587	13,579
Total Expenditures	<u>5,189,778</u>	<u>5,189,778</u>	<u>5,703,007</u>	<u>(513,229)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,770,909</u>	<u>2,770,909</u>	<u>575,125</u>	<u>(2,195,784)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out	<u>(3,254,099)</u>	<u>(3,254,099)</u>	<u>(929,868)</u>	<u>2,324,231</u>
Total Other Financing Sources (Uses)	<u>(3,254,099)</u>	<u>(3,254,099)</u>	<u>(929,868)</u>	<u>2,324,231</u>
Net Change in Fund Balances	<u>\$ (483,190)</u>	<u>\$ (483,190)</u>	(354,743)	<u>\$ 128,447</u>
Fund Balance Beginning of Year			<u>2,496,117</u>	
Fund Balance, End of Year			<u>\$ 2,141,374</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Administration Redevelopment Agency**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	-	-	-	-
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
General Government			1,539,428	(1,539,428)
Total Expenditures	-	-	1,539,428	(1,539,428)
Excess (Deficiency) of Revenues over Expenditures	-	-	(1,539,428)	(1,539,428)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(1,539,428)	<u>\$ (1,539,428)</u>
Fund Balance Beginning of Year			-	
Fund Balance, End of Year			<u><u>\$(1,539,428)</u></u>	

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

**Special Revenue Funds:**

**Supplemental Law Enforcement Services AB3229** – used to account for revenues related to the COPS, or AB3229 funds that are directed to the City in the allocation from the federal violent crime control and law enforcement act of 1994.

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

**Avenue 52 Bridge** – used to account for revenues received from federal, state and other sources that are earmarked for the planning, design and construction of the Avenue 52 grade separation.

**AVA Program** – used to account for revenues received from the State for use in operational activities related to the abandoned vehicle program.

**Proposition 1B Transportation** – used to account for revenues and expenditures relating to safety improvements and repairs to state highways, upgrade freeway to reduce congestion and expand public transit.

**SB 821 Sidewalk** – used to account for funds from the Indian gaming for maintaining sidewalk and bicycle paths.

**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.

**Police Asset Forfeiture** – used to account for expenditures incurred in narcotics interdiction efforts. Financing is provided by awards for the court of seized assets.

**Avenue 48** – used to account for expenditures relating to Avenue 48/Dillion Road grade separation capital project.

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

**CDBG Economic Development** – used to account for per capita and similar grant funds designated for use in assisting local community service and capital projects designated by the state granting agency. Financing is provided by County’s Dept. of Housing & Community Development which is the U.S. Department of Housing & Urban Development grant recipient.

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

**Police Grants** – used to account for revenues received in relation to federal and state Department of Justice grants such as LLEBG and OTS. These funds are mostly used by the City’s police department.

**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.

**Education and Government Access** – used to account for revenues received from the general fund to cover the expenses of broadcasting City Council meetings.

**Fiesta of Chillies** – used to account for various donations from fundraisers to assist schools.

**Capital Project Funds:**

**Capital Projects** – used to account for the revenues collected and payment of expenditures of specific capital projects.

**Debt Service Fund:**

**General Leases** – used to account for the payments of principal and interest for capital leases of equipment and vehicles used by the City and its related agencies.



**City of Coachella**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2011

	Special Revenue			
	Supplemental Law Enforcement Services AB3229	Air Quality Improvement	Avenue 52 Bridge	AVA Program
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 142,979	\$ 7,685	\$ 4,163
Accounts Receivable				
Due from Other Funds				
Interest Receivable	7	680	35	
Due from Other Governments	25,228			13,869
<b>Total Assets</b>	<u>\$ 25,235</u>	<u>\$ 143,659</u>	<u>\$ 7,720</u>	<u>\$ 18,032</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$	\$	\$	\$
Deposits and Other Liabilities				
Due to Other Funds	8,427	9,215		
Deferred Revenue	10,273			
<b>Total Liabilities</b>	<u>18,700</u>	<u>9,215</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Reserved:</b>				
<b>Unrestricted:</b>				
Committed - Encumbrances				
Special Revenue Funds, Assigned for Specific Programs	6,535	134,444	7,720	18,032
Capital Project Funds, Assigned for Specific Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>6,535</u>	<u>134,444</u>	<u>7,720</u>	<u>18,032</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 25,235</u>	<u>\$ 143,659</u>	<u>\$ 7,720</u>	<u>\$ 18,032</u>

Special Revenue

Proposition 1B Transportation	SB 821 Sidewalks	Local Transportation	Police Asset Forfeiture	Avenue 48	Indian Gaming Grants SB 621
\$ 477,124	\$	\$ 503,988	\$ 47,792	\$	\$ 4,371,205
2,832		2,462	197		814
	132,071	93,361			
<u>\$ 479,956</u>	<u>\$ 132,071</u>	<u>\$ 599,811</u>	<u>\$ 47,989</u>	<u>\$ -</u>	<u>\$ 4,372,019</u>
\$	\$	\$ 39,657	\$ 770	\$	\$
	132,071				
	132,071				3,194,215
-	264,142	39,657	770	-	3,194,215
479,956	(132,071)	560,154	47,219		1,177,804
<u>479,956</u>	<u>(132,071)</u>	<u>560,154</u>	<u>47,219</u>	<u>-</u>	<u>1,177,804</u>
<u>\$ 479,956</u>	<u>\$ 132,071</u>	<u>\$ 599,811</u>	<u>\$ 47,989</u>	<u>\$ -</u>	<u>\$ 4,372,019</u>

Continued

**City of Coachella**  
**Combining Balance Sheet**  
**Non-major Governmental Funds - Continued**  
June 30, 2011

	Special Revenue			
	CDBG Economic Development	ECD Entitlement Program	Police Grants	Landscape and Lighting District
<b>ASSETS</b>				
Cash and Investments	\$	\$	\$ 107,674	\$ 4,769,343
Accounts Receivable	112,932	12,974	23,149	636
Due from Other Funds				
Interest Receivable	14,861	907	533	21,736
Due from Other Governments	71,922	510,219		13,027
<b>Total Assets</b>	<b>\$ 199,715</b>	<b>\$ 524,100</b>	<b>\$ 131,356</b>	<b>\$ 4,804,742</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Liabilities	\$ 15,642	\$ 9,613	\$	\$ 158,011
Deposits and Other Liabilities				
Due to Other Funds	118,625	151,716		594,924
Deferred Revenue	35,192	627,790		
<b>Total Liabilities</b>	<b>169,459</b>	<b>789,119</b>	<b>-</b>	<b>752,935</b>
<b>Fund Balances:</b>				
<b>Reserved:</b>				
<b>Unreserved:</b>				
Committed - Encumbrances	17,608			22,041
Special Revenue Funds, Designated for Specific Programs	12,648	(265,019)	131,356	4,029,766
Capital Project Funds, Designated for Specific Projects				
<b>Total Fund Balances</b>	<b>30,256</b>	<b>(265,019)</b>	<b>131,356</b>	<b>4,051,807</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 199,715</b>	<b>\$ 524,100</b>	<b>\$ 131,356</b>	<b>\$ 4,804,742</b>

Fire Protection District	Special Revenue		Capital Project	Total Non-Major Governmental Funds
	Education and Government Access	Fiesta of Chilies	Capital Projects	
\$ 774,566 1,984 46,155 3,924	\$ 2,924	\$ 10,128	\$ 2,166,874  359	\$ 13,386,445 151,675 46,155 49,347 859,697
<u>\$ 826,629</u>	<u>\$ 2,924</u>	<u>\$ 10,128</u>	<u>\$ 2,167,233</u>	<u>\$ 14,493,319</u>
\$ 486,266	\$ 2,924	\$	\$ 391,445  128	\$ 1,103,558 770 1,015,106 3,999,541
<u>486,266</u>	<u>2,924</u>	<u>-</u>	<u>391,573</u>	<u>6,118,975</u>
340,363		10,128	1,775,660	39,649 6,548,907 1,785,788
<u>340,363</u>	<u>-</u>	<u>10,128</u>	<u>1,775,660</u>	<u>8,374,344</u>
<u>\$ 826,629</u>	<u>\$ 2,924</u>	<u>\$ 10,128</u>	<u>\$ 2,167,233</u>	<u>\$ 14,493,319</u>

**City of Coachella**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
Year Ended June 30, 2011

	Special Revenue			
	Supplemental Law Enforcement Services AB3229	Air Quality Improvement	Avenue 52 Bridge	AVA Program
<b>REVENUES</b>				
Taxes	\$	\$	\$	\$
Charges for Services				
Intergovernmental Revenue	89,727	36,546		38,445
Special Assessments				
Investment Income	217	2,191		
Other Revenue				
Total Revenues	<u>89,944</u>	<u>38,737</u>	<u>-</u>	<u>38,445</u>
<b>EXPENDITURES</b>				
Current:				
General Government			2,700	
Public Safety				
Public Works		617		
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges		45,761		
Total Expenditures	<u>-</u>	<u>46,378</u>	<u>2,700</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>89,944</u>	<u>(7,641)</u>	<u>(2,700)</u>	<u>38,445</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out	(89,944)			
Total Other Financing Sources (Uses)	<u>(89,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(7,641)	(2,700)	38,445
Fund Balances, Beginning of Year	6,535	142,085	10,420	(20,413)
Fund Balances, End of Year	<u>\$ 6,535</u>	<u>\$ 134,444</u>	<u>\$ 7,720</u>	<u>\$ 18,032</u>

Special Revenue

<u>Proposition 1B Transportation</u>	<u>SB 821 Sidewalks</u>	<u>Local Transportation</u>	<u>Police Asset Forfeiture</u>	<u>Avenue 48</u>	<u>Indian Gaming Grants SB 621</u>
\$	\$	\$	\$	\$	\$
		434,325			1,088,062
6,145		7,089	606		
<u>6,145</u>	<u>-</u>	<u>441,414</u>	<u>606</u>	<u>-</u>	<u>1,088,062</u>
281		247	19		
					1,559
<u>281</u>	<u>-</u>	<u>247</u>	<u>19</u>	<u>-</u>	<u>1,559</u>
5,864		441,167	587		
<u>5,864</u>	<u>-</u>	<u>441,167</u>	<u>587</u>	<u>-</u>	<u>1,086,503</u>
(136,818)	(132,071)	(500,000)			
<u>(136,818)</u>	<u>(132,071)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(130,954)	(132,071)	(58,833)	587		1,086,503
610,910	-	618,987	46,632	-	91,301
<u>\$ 479,956</u>	<u>\$ (132,071)</u>	<u>\$ 560,154</u>	<u>\$ 47,219</u>	<u>\$ -</u>	<u>\$ 1,177,804</u>

Continued

**City of Coachella**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds - Continued**  
Year Ended June 30, 2011

	Special Revenue			
	CDBG Economic Development	ECD Entitlement Program	Police Grants	Landscape and Lighting District
<b>REVENUES</b>				
Taxes	\$	\$	\$	\$
Charges for Services				
Intergovernmental Revenue	92,725	46,929	132,954	
Special Assessments				787,051
Investment Income	60,267	2,998	1,998	68,545
Other Revenue				
<b>Total Revenues</b>	<u>152,992</u>	<u>49,927</u>	<u>134,952</u>	<u>855,596</u>
<b>EXPENDITURES</b>				
Current:				
General Government	16,929			
Public Safety			5,680	
Public Works		46,191		1,000,300
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges				
<b>Total Expenditures</b>	<u>16,929</u>	<u>46,191</u>	<u>5,680</u>	<u>1,000,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>136,063</u>	<u>3,736</u>	<u>129,272</u>	<u>(144,704)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out	<u>(374,172)</u>	<u>(290,868)</u>	<u>(59,437)</u>	
<b>Total Other Financing Sources (Uses)</b>	<u>(374,172)</u>	<u>(290,868)</u>	<u>(59,437)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(238,109)	(287,132)	69,835	(144,704)
Fund Balances, Beginning of Year	<u>268,365</u>	<u>22,113</u>	<u>61,521</u>	<u>4,196,511</u>
Fund Balances, End of Year	<u>\$ 30,256</u>	<u>\$ (265,019)</u>	<u>\$ 131,356</u>	<u>\$ 4,051,807</u>

Fire Protection District	Special Revenue		Capital Project	Debt Service	Total Non-Major Governmental Funds
	Education and Government Access	Fiesta of Chilies	Capital Projects	General Leases	
\$ 443,250	\$	\$	\$	\$	\$ 443,250
39,826					39,826
731					1,960,444
356,667					1,143,718
11,660					161,716
<u>852,134</u>				<u>-</u>	<u>3,748,954</u>
2,029,091	20,561				40,737
		288	4,474,486		2,034,771
					5,523,441
81,591					81,591
3,820					49,581
<u>2,114,502</u>	<u>20,561</u>	<u>288</u>	<u>4,474,486</u>	<u>-</u>	<u>7,730,121</u>
<u>(1,262,368)</u>	<u>(20,561)</u>	<u>(288)</u>	<u>(4,474,486)</u>	<u>-</u>	<u>(3,981,167)</u>
2,610,390	36,088		4,193,897		6,840,375
(907,125)			(3,922)		(2,494,357)
<u>1,703,265</u>	<u>36,088</u>	<u>-</u>	<u>4,189,975</u>	<u>-</u>	<u>4,346,018</u>
440,897	15,527	(288)	(284,511)	-	364,851
(100,534)	(15,527)	10,416	2,060,171	-	8,009,493
<u>\$ 340,363</u>	<u>\$ -</u>	<u>\$ 10,128</u>	<u>\$ 1,775,660</u>	<u>\$ -</u>	<u>\$ 8,374,344</u>



**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Supplemental Law Enforcement Services AB3229 Special Revenue Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 100,000	\$ 100,000	\$ 89,727	\$ (10,273)
Investment Income			217	217
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>89,944</u>	<u>(10,056)</u>
<b>EXPENDITURES</b>				
Current:				
General Government			-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>100,000</u>	<u>100,000</u>	<u>89,944</u>	<u>(10,056)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(89,944)</u>	<u>10,056</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(89,944)</u>	<u>10,056</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, Beginning of Year			<u>6,535</u>	
Fund Balance, End of Year			<u>\$ 6,535</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Air Quality Improvement Special Revenue Fund**  
Year Ended June 30, 2011

	<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	\$ 25,000	\$ 25,000	\$ 36,546	\$ 11,546
Investment Income	100	100	2,191	2,091
Total Revenues	<u>25,100</u>	<u>25,100</u>	<u>38,737</u>	<u>13,637</u>
<b>EXPENDITURES</b>				
Current:				
Public Works			617	(617)
Capital Outlay				
Debt Service:				
Interest and Fiscal Charges			<u>45,761</u>	<u>(45,761)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>46,378</u>	<u>(46,378)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 25,100</u>	<u>\$ 25,100</u>	(7,641)	<u>\$ (32,741)</u>
Fund Balance, Beginning of Year			<u>142,085</u>	
Fund Balance, End of Year			<u>\$ 134,444</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Avenue 52 Bridge Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
<b>EXPENDITURES</b>				
Current:				
General Government			2,700	(2,700)
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,700</u>	<u>(2,700)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,500</u>	<u>2,500</u>	<u>(2,700)</u>	<u>(5,200)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,500</u>	<u>\$ 2,500</u>	(2,700)	<u>\$ (5,200)</u>
Fund Balance, Beginning of Year			<u>10,420</u>	
Fund Balance, End of Year			<u>\$ 7,720</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - AVA Program Special Revenue Fund**  
Year Ended June 30, 2011

	<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	\$ 47,646	\$ 47,646	\$ 38,445	\$ (9,201)
Investment Income	200	200		(200)
Total Revenues	<u>47,846</u>	<u>47,846</u>	<u>38,445</u>	<u>(9,401)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(47,846)</u>	<u>(47,846)</u>	-	<u>47,846</u>
Total Other Financing Sources (Uses)	<u>(47,846)</u>	<u>(47,846)</u>	-	<u>47,846</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	38,445	<u>\$ 38,445</u>
Fund Balance, Beginning of Year			<u>(20,413)</u>	
Fund Balance, End of Year			<u>\$ 18,032</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Proposition 1B Transportation Special Revenue Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$	\$	\$	\$ -
Investment Income	3,000	3,000	6,145	3,145
Total Revenues	3,000	3,000	6,145	3,145
<b>EXPENDITURES</b>				
General Government			281	(281)
Total Expenditures	-	-	281	(281)
Excess (Deficiency) of Revenues over Expenditures	3,000	3,000	5,864	2,864
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Transfers Out	(50,000)	(50,000)	(136,818)	(86,818)
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(136,818)	(86,818)
Net Change in Fund Balance	<u>\$ (47,000)</u>	<u>\$ (47,000)</u>	(130,954)	<u>\$ (83,954)</u>
Fund Balance, Beginning of Year			610,910	
Fund Balance, End of Year			<u>\$ 479,956</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - SB 821 Sidewalks Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 198,592	\$ 198,592	\$	\$ (198,592)
Total Revenues	<u>198,592</u>	<u>198,592</u>	<u>-</u>	<u>(198,592)</u>
<b>EXPENDITURES</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>198,592</u>	<u>198,592</u>	<u>-</u>	<u>(198,592)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(132,071)	(132,071)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(132,071)</u>	<u>(132,071)</u>
Net Change in Fund Balance	<u>\$ 198,592</u>	<u>\$ 198,592</u>	(132,071)	<u>\$ (330,663)</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ (132,071)</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Local Transportation Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 422,000	\$ 422,000	\$ 434,325	\$ 12,325
Investment Income			7,089	7,089
Total Revenues	<u>422,000</u>	<u>422,000</u>	<u>441,414</u>	<u>19,414</u>
<b>EXPENDITURES</b>				
Current:				
General Government			247	(247)
Capital Outlay	500,000	500,000	-	500,000
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>247</u>	<u>499,753</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(78,000)</u>	<u>(78,000)</u>	<u>441,167</u>	<u>519,167</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(500,000)	(500,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Net Change in Fund Balances	<u>\$ (78,000)</u>	<u>\$ (78,000)</u>	(58,833)	<u>\$ 19,167</u>
Fund Balance, Beginning of Year			<u>618,987</u>	
Fund Balances, End of Year			<u>\$ 560,154</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police Asset Forfeiture Special Revenue Fund**  
Year Ended June 30, 2011

	<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>				
Investment Income	\$ 52	\$ 52	\$ 606	\$ 554
Total Revenues	<u>52</u>	<u>52</u>	<u>606</u>	<u>554</u>
<b>EXPENDITURES</b>				
Current:				
General Government			19	(19)
Total Expenditures	<u>-</u>	<u>-</u>	<u>19</u>	<u>(19)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 52</u>	<u>\$ 52</u>	587	<u>\$ 535</u>
Fund Balance, Beginning of Year			<u>46,632</u>	
Fund Balance, End of Year			<u>\$ 47,219</u>	



**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Avenue 48 Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Capital Outlay				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Indian Gaming Grants SB 621 Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$		\$ 1,088,062	\$ 1,088,062
Investment Income	4,500	4,500	-	(4,500)
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>1,088,062</u>	<u>1,083,562</u>
<b>EXPENDITURES</b>				
Current:				
Public Works			1,559	(1,559)
Total Expenditures	-	-	<u>1,559</u>	<u>(1,559)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,500</u>	<u>4,500</u>	<u>1,086,503</u>	<u>1,082,003</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ 4,500</u>	<u>\$ 4,500</u>	1,086,503	<u>\$ 1,082,003</u>
Fund Balance, Beginning of Year			<u>91,301</u>	
Fund Balance, End of Year			<u>\$ 1,177,804</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - CDBG Economic Development Special Revenue Fund**  
**Year Ended June 30, 2011**

	<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			\$ 92,725	\$ 92,725
Investment Income			60,267	60,267
Total Revenues	-	-	152,992	152,992
<b>EXPENDITURES</b>				
Current:				
General Government			16,929	(16,929)
Total Expenditures	-	-	16,929	(16,929)
Excess (Deficiency) of Revenues over Expenditures	-	-	136,063	136,063
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(374,172)	(374,172)
Total Other Financing Sources (Uses)	-	-	(374,172)	(374,172)
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(238,109)	<u>\$ (238,109)</u>
Fund Balance, Beginning of Year			268,365	
Fund Balance, End of Year			<u>\$ 30,256</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - ECD Entitlement Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 2,088,000	\$ 2,088,000	\$ 46,929	\$(2,041,071)
Investment Income			2,998	2,998
Total Revenues	2,088,000	2,088,000	49,927	(2,038,073)
<b>EXPENDITURES</b>				
Current:				
Public Works			46,191	(46,191)
Capital Outlay			-	-
Total Expenditures	-	-	46,191	(46,191)
Excess (Deficiency) of Revenues over Expenditures	2,088,000	2,088,000	3,736	(2,084,264)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(2,088,000)	(2,088,000)	(290,868)	1,797,132
Total Other Financing Sources (Uses)	(2,088,000)	(2,088,000)	(290,868)	1,797,132
Net Change in Fund Balances	\$ -	\$ -	(287,132)	\$ (287,132)
Fund Balance, Beginning of Year			22,113	
Fund Balance, End of Year			\$ (265,019)	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Police Grants Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$	\$	\$ 132,954	\$ 132,954
Investment Income			1,998	1,998
Total Revenues	-	-	134,952	134,952
<b>EXPENDITURES</b>				
Current:				
Public Safety			5,680	(5,680)
Total Expenditures	-	-	5,680	(5,680)
Excess (Deficiency) of Revenues over Expenditures	-	-	129,272	129,272
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out			(59,437)	(59,437)
Total Other Financing Sources (Uses)	-	-	(59,437)	(59,437)
Net Change in Fund Balances	\$	\$	69,835	\$ 69,835
Fund Balance, Beginning of Year			61,521	
Fund Balance, End of Year			\$ 131,356	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Landscape and Lighting District Special Revenue Fund**  
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Special Assessments	\$ 707,147	\$ 707,147	\$ 787,051	\$ 79,904
Investment Income	<u>51,696</u>	<u>51,696</u>	<u>68,545</u>	<u>16,849</u>
Total Revenues	<u>758,843</u>	<u>758,843</u>	<u>855,596</u>	<u>96,753</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	<u>848,802</u>	<u>848,802</u>	<u>1,000,300</u>	<u>(151,498)</u>
Total Expenditures	<u>848,802</u>	<u>848,802</u>	<u>1,000,300</u>	<u>(151,498)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (89,959)</u>	<u>\$ (89,959)</u>	(144,704)	<u>\$ (54,745)</u>
Fund Balance, Beginning of Year			<u>4,196,511</u>	
Fund Balance, End of Year			<u>\$ 4,051,807</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Protection District Special Revenue Fund**  
**Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 261,892	\$ 261,892	\$ 443,250	\$ 181,358
Charges for Services	16,756	16,756	39,826	23,070
Special Assessments	367,085	367,085	356,667	(10,418)
Investment Income	103	103	11,660	11,557
Other Revenue				-
Total Revenues	<u>645,836</u>	<u>645,836</u>	<u>852,134</u>	<u>206,298</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	2,232,812	2,232,812	2,029,091	203,721
Debt Service:				
Principal Retirement	122,230	122,230	81,591	40,639
Interest and Fiscal Charges	5,951	5,951	3,820	2,131
Total Expenditures	<u>2,360,993</u>	<u>2,360,993</u>	<u>2,114,502</u>	<u>246,491</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,715,157)</u>	<u>(1,715,157)</u>	<u>(1,262,368)</u>	<u>452,789</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,069,140	2,069,140	1,703,265	(365,875)
Transfers Out	(363,740)	(363,740)	0	363,740
Total Other Financing Sources (Uses)	<u>1,705,400</u>	<u>1,705,400</u>	<u>1,703,265</u>	<u>(2,135)</u>
Net Change in Fund Balances	<u>\$ (9,757)</u>	<u>\$ (9,757)</u>	440,897	<u>\$ 450,654</u>
Fund Balance, Beginning of Year			<u>(100,534)</u>	
Fund Balance, End of Year			<u>\$ 340,363</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Education and Government Access Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$	\$	\$	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
General Government			20,561	(20,561)
Total Expenditures	-	-	20,561	(20,561)
Excess (Deficiency) of Revenues over Expenditures	-	-	(20,561)	(20,561)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In			36,088	36,088
Total Other Financing Sources (Uses)	-	-	36,088	36,088
Net Change in Fund Balances	\$ -	\$ -	15,527	\$ 15,527
Fund Balance, Beginning of Year			(15,527)	
Fund Balance, End of Year			-	



**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fiesta of Chilies Special Revenue Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other Revenue	\$	\$	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Public Works			288	(288)
Total Expenditures	-	-	288	(288)
Excess (Deficiency) of Revenues over Expenditures	-	-	(288)	(288)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	(288)	\$ (288)
Fund Balance, Beginning of Year			10,416	
Fund Balance, End of Year			\$ 10,128	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Capital Projects Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				*
Interest Income			\$ -	\$ -
Other Revenue			0	0
Total Revenues	-	-	0	0
<b>EXPENDITURES</b>				
Current:				
Public Works			4,474,486	(4,474,486)
Total Expenditures	-	-	4,474,486	(4,474,486)
Excess (Deficiency) of Revenues over Expenditures	-	-	(4,474,486)	(4,474,486)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	21,433,000	21,433,000	4,193,897	(17,239,103)
Transfers Out	(21,433,000)	(21,433,000)	(3,922)	21,429,078
Total Other Financing Sources (Uses)	-	-	4,189,975	4,189,975
Net Change in Fund Balances	\$ -	\$ -	(284,511)	\$ (284,511)
Fund Balance, Beginning of Year			2,060,171	
Fund Balance, End of Year			\$ 1,775,660	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Leases Debt Service Fund**  
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
	\$	\$	\$	\$
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

## **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.

**Public Schools Capital Facilities Fund** – used to account for the assets held on behalf of the public schools located within the city limits of the City of Coachella for future capital improvements projects related to one or more of the facilities.

**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, 2011

	<u>Self Insured Dental Plan</u>	<u>General Deposits Fund</u>	<u>Public Schools Capital Facilities Fund</u>
<b>ASSETS</b>			
Cash and Investments	\$ 16,578	\$ 700,601	\$ 635,213
Cash and Investments with Fiscal Agent	6,326		
Interest Receivable	4		1,029
Accounts Receivable			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 22,908</u>	<u>\$ 700,601</u>	<u>\$ 636,242</u>
<b>LIABILITIES</b>			
Employee Contribution	\$ 22,908	\$	\$
Pass-through Payable			636,242
Claims Payable			
Due to Refuse Service Provider			
Deposits Payable		700,601	
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 22,908</u>	<u>\$ 700,601</u>	<u>\$ 636,242</u>

<u>Flood Control Capital Facilities Fund</u>	<u>Employee Flex Plan Deposits</u>	<u>Refuse Fund</u>	<u>Total Agency Funds</u>
\$ 2,044,126	\$ 649	\$ 762,691	\$ 4,159,858
8,486		1,318	6,326
-		62,508	10,837
<u>\$ 2,052,612</u>	<u>\$ 649</u>	<u>\$ 826,517</u>	<u>\$ 4,239,529</u>
\$ 2,052,612	\$ 649	\$ 141,084	\$ 22,908
		685,433	2,688,854
			649
			141,084
			<u>1,386,034</u>
<u>\$ 2,052,612</u>	<u>\$ 649</u>	<u>\$ 826,517</u>	<u>\$ 4,239,529</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Self Insured Dental Plan**  
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 16,557	\$ 21		\$ 16,578
Cash and Investments with Fiscal Agent	6,651	3,502	3,827	6,326
Interest Receivable	85	4	85	4
	<u>\$ 23,293</u>	<u>\$ 3,527</u>	<u>\$ 3,912</u>	<u>\$ 22,908</u>
<b>LIABILITIES</b>				
Employee Contribution	\$ 23,293	\$ 3,502	\$ 3,887	\$ 22,908
	<u>\$ 23,293</u>	<u>\$ 3,502</u>	<u>\$ 3,887</u>	<u>\$ 22,908</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**General Deposits Fund**  
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 699,183	\$ 16,236	\$ 14,818	\$ 700,601
Total Assets	<u>\$ 699,183</u>	<u>\$ 16,236</u>	<u>\$ 14,818</u>	<u>\$ 700,601</u>
<b>LIABILITIES</b>				
Claims Payable	\$	\$	\$	\$ -
Deposits Payable	699,183	31,290	29,872	700,601
Total Liabilities	<u>\$ 699,183</u>	<u>\$ 31,290</u>	<u>\$ 29,872</u>	<u>\$ 700,601</u>



**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Public Schools Capital Facilities Fund**  
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 653,461	\$ 1,294,344	\$ 1,312,592	\$ 635,213
Interest Receivable	388	1,029	388	1,029
Total Assets	<u>\$ 653,849</u>	<u>\$ 1,295,373</u>	<u>\$ 1,312,980</u>	<u>\$ 636,242</u>
<b>LIABILITIES</b>				
Pass-through Payable	<u>\$ 653,849</u>	<u>\$ 1,294,985</u>	<u>\$ 1,312,592</u>	<u>\$ 636,242</u>
Total Liabilities	<u>\$ 653,849</u>	<u>\$ 1,294,985</u>	<u>\$ 1,312,592</u>	<u>\$ 636,242</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Flood Control Capital Facilities Fund**  
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,790,262	\$ 531,932	\$ 278,068	\$ 2,044,126
Interest Receivable	7,938	8,486	7,938	8,486
Due From Other Funds	-			-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,798,200</u>	<u>\$ 540,418</u>	<u>\$ 286,006</u>	<u>\$ 2,052,612</u>
<b>LIABILITIES</b>				
Pass-through Payable	<u>\$ 1,798,200</u>	<u>\$ 1,146,537</u>	<u>\$ 892,125</u>	<u>\$ 2,052,612</u>
Total Liabilities	<u>\$ 1,798,200</u>	<u>\$ 1,146,537</u>	<u>\$ -</u>	<u>\$ 2,052,612</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Employee Flex Plan Deposits Fund**  
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,933	\$ 11,917	\$ 13,201	\$ 649
Accounts Receivable				-
<b>Total Assets</b>	<u>\$ 1,933</u>	<u>\$ 11,917</u>	<u>\$ 13,201</u>	<u>\$ 649</u>
<b>LIABILITIES</b>				
Claims Payable	\$ 1,933	\$ 25,158	\$ 26,442	\$ 649
Due to Other Funds				-
<b>Total Liabilities</b>	<u>\$ 1,933</u>	<u>\$ 25,158</u>	<u>\$ 26,442</u>	<u>\$ 649</u>

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Refuse Fund**  
Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	\$	\$ 1,576,884	\$ 814,193	\$ 762,691
Accounts Receivable	43,824	63,318	44,634	62,508
Interest Receivable	1,165	1,318	1,165	1,318
	<u>1,165</u>	<u>1,318</u>	<u>1,165</u>	<u>1,318</u>
Total Assets	<u>\$ 44,989</u>	<u>\$ 1,641,520</u>	<u>\$ 859,992</u>	<u>\$ 826,517</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 2,762,782	\$ 2,077,349	\$ 685,433
Due to Refuse Service Provider	44,989	107,684	11,589	141,084
	<u>44,989</u>	<u>107,684</u>	<u>11,589</u>	<u>141,084</u>
Total Liabilities	<u>\$ 44,989</u>	<u>\$ 2,870,466</u>	<u>\$ 2,088,938</u>	<u>\$ 826,517</u>

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## STATISTICAL SECTION

### NARRATIVE SUMMARY

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	Page
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	114
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the City's most significant local revenue sources.	119
<b>Debt Capacity</b> 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.	124
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the City's financial activities take place.	129
<b>Operating Information</b> 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.	131

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 Assets by Component**  
**Last Nine Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Years								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$10,033,810	\$10,566,657	\$16,345,742	\$21,094,484	\$ 69,625,226	\$ 85,714,202	\$ 95,466,787	\$102,162,696	\$101,147,347
Restricted	-	-	-	47,977,285	4,782,696	5,662,608	17,108,772	19,069,214	20,278,501
Unrestricted	(8,749,032)	4,897,449	4,744,259	(32,362,804)	8,905,534	3,652,252	(15,594,569)	(18,766,599)	(19,837,983)
<b>Total governmental activities net assets</b>	<b>\$ 1,284,778</b>	<b>\$15,464,106</b>	<b>\$21,090,001</b>	<b>\$36,708,965</b>	<b>\$ 83,313,456</b>	<b>\$ 95,029,062</b>	<b>\$ 96,980,990</b>	<b>\$102,465,311</b>	<b>\$101,587,865</b>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	\$ (156,851)	\$ (2,772,962)	\$ 9,400,692	\$15,907,813	\$ 36,259,222	\$ 35,198,133	\$ 36,511,480	\$ 30,565,733	\$ 28,937,151
Restricted	5,293,425	5,303,197	6,187,555	14,656,111	9,855,031	6,928,511	9,571,551	9,383,173	12,386,534
Unrestricted	3,747,880	2,731,916	(5,612,269)	(16,521,062)	3,027,035	3,336,606	(3,415,652)	1,782,324	330,584
<b>Total business-type activities net assets</b>	<b>\$ 8,884,454</b>	<b>\$ 5,262,151</b>	<b>\$ 9,975,978</b>	<b>\$14,042,862</b>	<b>\$ 49,141,288</b>	<b>\$ 45,463,250</b>	<b>\$ 42,667,379</b>	<b>\$ 41,731,230</b>	<b>\$ 41,654,269</b>
<b>Primary government:</b>									
Invested in capital assets, net of related debt	\$ 9,876,959	\$ 7,793,695	\$25,746,434	\$37,002,297	\$105,884,448	\$120,912,335	\$131,978,267	\$132,728,429	\$130,084,498
Restricted	5,293,425	5,303,197	6,187,555	62,633,396	14,637,727	12,591,119	26,680,323	28,452,387	32,665,035
Unrestricted	(5,001,152)	7,629,365	(868,010)	(48,883,866)	11,932,569	6,988,858	(19,010,221)	(16,984,275)	(19,507,399)
<b>Total primary government net assets</b>	<b>\$10,169,232</b>	<b>\$20,726,257</b>	<b>\$31,065,979</b>	<b>\$50,751,827</b>	<b>\$132,454,744</b>	<b>\$140,492,312</b>	<b>\$139,648,369</b>	<b>\$144,196,541</b>	<b>\$143,242,134</b>

Source: City of Coachella

*The City of Coachella implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.*

**City of Coachella**  
**Changes in Net Assets**  
**Last Nine Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>									
<b>Governmental activities:</b>									
General government	\$ 5,019,776	\$ 5,546,488	\$ 8,426,030	\$ 9,640,173	\$ 12,956,139	\$ 11,789,089	\$ 7,741,542	\$ 5,705,993	\$ 4,605,459
Public safety	2,438,945	3,329,250	4,656,197	4,898,669	8,185,639	10,032,314	10,305,504	8,875,765	9,935,026
Public works	1,840,019	2,456,293	1,880,710	2,195,931	6,382,829	9,407,366	10,713,120	12,488,348	12,608,825
Parks and recreation	282,077	177,507	218,301	162,680	297,478	320,667	387,926	379,346	424,659
Payments to other agencies	656,998	1,382,333	1,174,295	1,130,745	-	-	-	-	-
Interest on long-term debt	1,288,291	1,276,708	1,300,793	1,355,416	2,591,955	2,711,031	3,048,677	2,925,495	2,878,831
Transfers	-	-	1,927,847	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>\$11,526,106</b>	<b>\$14,168,579</b>	<b>\$19,584,173</b>	<b>\$19,383,614</b>	<b>\$30,414,040</b>	<b>\$34,260,467</b>	<b>\$32,196,769</b>	<b>\$30,374,947</b>	<b>\$30,452,800</b>
<b>Business-type activities</b>									
Operating transfers in/out (net)	\$ 1,000	\$ 5,001,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	4,255,450	5,039,036	5,503,551	6,388,056	8,769,771	13,372,113	12,008,375	9,620,029	10,282,530
Non-operating expenses	753,251	892,446	851,880	912,131	64,574	-	-	-	-
<b>Total business-type activities net expenses</b>	<b>\$ 5,009,701</b>	<b>\$10,932,482</b>	<b>\$ 6,355,431</b>	<b>\$ 7,300,187</b>	<b>\$ 8,834,345</b>	<b>\$ 13,372,113</b>	<b>\$ 12,008,375</b>	<b>\$ 9,620,029</b>	<b>\$ 10,282,530</b>
<b>Total primary government expenses</b>	<b>\$16,535,807</b>	<b>\$25,101,061</b>	<b>\$25,939,604</b>	<b>\$26,683,801</b>	<b>\$39,248,385</b>	<b>\$47,632,580</b>	<b>\$44,205,144</b>	<b>\$39,994,976</b>	<b>\$40,735,330</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
Charges for services	\$ 1,738,017	\$ 3,536,238	\$ 7,438,412	\$11,260,751	\$ 3,527,329	\$ 3,572,884	\$ 2,902,308	\$ 2,059,486	\$ 1,724,510
Operating grants & contribution	2,618,170	2,072,536	2,199,962	4,760,299	7,455,122	5,261,599	3,480,245	5,200,469	3,860,007
Capital grants & contributions	1,353,920	6,025,655	1,770,267	68,274	3,259,887	12,781,151	13,414,321	6,020,309	4,440,478
<b>Total governmental activities program revenue</b>	<b>\$ 5,710,107</b>	<b>\$11,634,429</b>	<b>\$11,408,641</b>	<b>\$16,089,324</b>	<b>\$14,242,338</b>	<b>\$21,615,634</b>	<b>\$19,796,874</b>	<b>\$13,280,264</b>	<b>\$10,024,995</b>
<b>Business Type Activities</b>									
Charges for services	\$ 4,855,667	\$ 6,968,177	\$ 8,809,903	\$11,998,585	\$10,176,924	\$ 9,044,958	\$ 9,389,615	\$ 8,550,740	\$ 9,845,780
<b>Total primary government program revenues</b>	<b>\$10,565,774</b>	<b>\$18,602,606</b>	<b>\$20,218,544</b>	<b>\$28,087,909</b>	<b>\$24,419,262</b>	<b>\$30,660,592</b>	<b>\$29,186,489</b>	<b>\$21,831,004</b>	<b>\$19,870,775</b>
<b>Net revenues (expenses):</b>									
Governmental activities	\$ (5,815,999)	\$ (2,534,150)	\$ (8,175,532)	\$ (3,294,290)	\$ (16,171,702)	\$ (12,644,833)	\$ (12,399,895)	\$ (17,094,683)	\$ (20,427,805)
Business-type activities	(154,034)	(3,964,305)	2,454,472	4,698,398	1,342,579	(4,327,155)	(2,618,760)	(1,069,289)	(436,750)
<b>Total net revenues (expenses)</b>	<b>\$ (5,970,033)</b>	<b>\$ (6,498,455)</b>	<b>\$ (5,721,060)</b>	<b>\$ 1,404,108</b>	<b>\$ (14,829,123)</b>	<b>\$ (16,971,988)</b>	<b>\$ (15,018,655)</b>	<b>\$ (18,163,972)</b>	<b>\$ (20,864,555)</b>

Source: City of Coachella



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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues</b>									
<b>Governmental activities:</b>									
Intergovernmental revenue	\$ -	\$ 2,295,554	\$ 869,043	\$ 989,493	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,012,506	-	-	-	-	-	-	-	-
<b>Taxes:</b>									
Property taxes	4,034,206	4,330,608	6,284,450	8,859,051	14,572,407	16,133,441	15,334,880	13,914,451	14,936,877
Other taxes	3,876,387	4,146,617	3,853,406	4,923,454	4,410,933	5,280,253	4,703,772	3,878,561	3,270,921
Other revenues	488,209	662,141	2,124,611	359,950	318,283	148,322	451,263	351,448	725,955
Interest & rental income	219,553	185,040	579,116	986,665	-	2,624,639	459,763	181,921	616,606
Gain insurance reimburse	-	-	206,142	-	2,850,294	-	-	-	-
Gain on sale of land	83,877	-	-	-	-	-	-	-	-
Transfers	1,000	5,001,000	-	(770,990)	(2,656,661)	173,784	644,358	83,990	-
<b>Total governmental activities</b>	<b>\$ 9,715,738</b>	<b>\$16,620,960</b>	<b>\$13,916,768</b>	<b>\$15,347,623</b>	<b>\$19,495,256</b>	<b>\$24,360,439</b>	<b>\$21,594,036</b>	<b>\$18,410,371</b>	<b>\$19,550,359</b>
<b>Business-type activities</b>									
Interest & rental income	\$ 155,484	\$ 156,460	\$ 124,846	\$ 400,831	\$ -	\$ 678,875	\$ 390,609	\$ 325,106	\$ 307,310
Other taxes	41,650	44,245	37,635	38,055	81,007	80,660	76,638	71,761	52,479
Other revenues	108,771	141,297	-	-	908,020	63,366	-	-	-
Transfers	-	-	1,927,847	770,990	2,656,661	(173,784)	(644,358)	(83,990)	-
<b>Total business-type activities net</b>	<b>\$ 305,905</b>	<b>\$ 342,002</b>	<b>\$ 2,090,328</b>	<b>\$ 1,209,876</b>	<b>\$ 3,645,688</b>	<b>\$ 649,117</b>	<b>\$ (177,111)</b>	<b>\$ 312,877</b>	<b>\$ 359,789</b>
<b>Total primary government</b>	<b>\$10,021,643</b>	<b>\$16,962,962</b>	<b>\$16,007,096</b>	<b>\$16,557,499</b>	<b>\$23,140,944</b>	<b>\$25,009,556</b>	<b>\$21,416,925</b>	<b>\$18,723,248</b>	<b>\$19,910,148</b>
<b>Changes in Net Assets</b>									
Governmental activities	\$ 3,899,739	\$14,086,810	\$ 5,741,236	\$12,053,333	\$ 3,323,554	\$11,715,606	\$ 9,194,141	\$ 1,315,688	\$ (877,446)
Business-type activities	151,871	(3,622,303)	4,544,800	5,908,274	4,988,267	(3,678,038)	(2,795,871)	(756,412)	(76,961)
<b>Total primary government</b>	<b>\$ 4,051,610</b>	<b>\$10,464,507</b>	<b>\$10,286,036</b>	<b>\$17,961,607</b>	<b>\$ 8,311,821</b>	<b>\$ 8,037,568</b>	<b>\$ 6,398,270</b>	<b>\$ 559,276</b>	<b>\$ (954,407)</b>

*The City of Coachella implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.*

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:									
Reserved	\$ 1,231,982	\$ 1,535,312	\$ 1,755,469	\$ 1,617,653	\$ 1,251,604	\$ 766,397	\$ 152,911	\$ 182,516	\$ 97,889
Unreserved	1,351,388	2,270,521	4,775,374	9,654,528	9,111,113	6,815,659	6,645,206	6,973,935	7,438,822
Total general fund	<u>\$ 2,583,370</u>	<u>\$ 3,805,833</u>	<u>\$ 6,530,843</u>	<u>\$ 11,272,181</u>	<u>\$ 10,362,717</u>	<u>\$ 7,582,056</u>	<u>\$ 6,798,117</u>	<u>\$ 7,156,451</u>	<u>\$ 7,536,711</u>
All other government funds:									
Reserved	\$ 5,376,291	\$ 4,029,551	\$ 4,807,687	\$ 17,047,731	\$ 19,072,608	\$ 29,108,658	\$ 9,791,031	\$ 6,119,021	\$ 4,128,100
Unreserved, reported in:									
Special revenue funds	3,112,274	9,241,332	11,541,834	14,194,605	17,626,900	(10,019,658)	18,214,433	20,477,006	22,277,334
Capital project funds	(2,182,986)	10,370,501	10,224,567	27,123,981	20,571,791	42,407,884	11,870,645	10,997,083	9,507,944
Total all other government funds	<u>\$ 6,305,579</u>	<u>\$ 23,641,384</u>	<u>\$ 26,574,088</u>	<u>\$ 58,366,317</u>	<u>\$ 57,271,299</u>	<u>\$ 61,496,884</u>	<u>\$ 39,876,109</u>	<u>\$ 37,593,110</u>	<u>\$ 35,913,378</u>

*The City of Coachella has elected to show only nine years of data on this schedule.*

Source: City of Coachella

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>									
Taxes	\$ 2,958,051	\$ 3,756,211	\$ 5,402,265	\$ 6,618,247	\$ 18,983,340	\$ 21,339,431	\$ 20,144,921	\$ 17,586,613	\$ 18,207,798
Property tax increment	3,544,457	3,991,338	4,237,821	5,431,925	-	-	-	-	-
Licenses and permits	615,456	1,207,374	3,009,837	3,290,175	2,045,347	2,165,334	1,860,509	506,267	328,074
Intergovernmental revenue	6,633,852	11,788,055	5,834,304	7,866,289	6,277,896	12,418,721	7,994,437	6,410,258	4,790,834
Charges for services	1,482,197	1,283,425	3,224,975	6,572,347	1,174,361	674,891	415,752	941,030	513,713
Fines and forfeits	205,357	182,688	278,193	387,834	307,621	266,466	312,085	193,308	186,327
Interest and rental income	213,549	185,040	485,453	872,244	2,850,294	2,624,639	922,654	658,301	616,600
Other income	681,756	860,258	2,646,419	1,168,876	4,755,396	6,312,807	5,612,347	6,225,902	4,518,528
<b>Total revenues</b>	<b>\$ 16,334,675</b>	<b>\$ 23,254,389</b>	<b>\$ 25,119,267</b>	<b>\$ 32,207,937</b>	<b>\$ 36,394,255</b>	<b>\$ 45,802,289</b>	<b>\$ 37,262,705</b>	<b>\$ 32,521,679</b>	<b>\$ 29,161,874</b>
<b>Expenditures:</b>									
<b>Current:</b>									
<b>General government:</b>									
Departmental	\$ 1,881,558	\$ 1,789,569	\$ 2,071,157	\$ 2,529,267	\$ 10,413,993	\$ 11,326,595	\$ 7,297,718	\$ 5,692,863	\$ 4,296,416
Non-departmental	3,531,067	3,571,096	5,968,831	5,952,642	-	-	-	-	-
Public safety	2,847,491	3,289,212	4,252,008	4,898,669	8,138,684	9,969,322	9,705,504	8,816,894	9,873,162
Public works	1,617,591	2,044,322	1,875,568	2,195,931	4,884,148	4,187,343	4,314,158	4,479,299	7,675,871
Parks and recreation	339,159	173,714	218,301	162,680	297,478	308,616	215,210	203,310	223,202
Payment to other agencies	656,998	1,382,333	1,174,295	1,130,745	-	-	-	-	-
Capital outlays	6,259,930	3,714,839	-	-	6,880,698	20,332,270	22,239,928	4,441,241	1,582,158
<b>Debt service:</b>									
Pass-through Agreements	-	114,213	179,417	164,436	910,690	1,412,917	3,630,538	5,826,335	2,705,158
Issuance Costs	-	-	-	-	-	482,231	-	-	-
Principal retirements	378,619	392,335	1,484,577	3,250,296	1,960,906	1,005,824	1,186,049	1,643,602	1,356,591
Interest and fiscal changes	1,123,031	1,115,336	1,207,049	1,329,765	2,357,427	2,711,031	3,039,111	2,942,234	2,895,570
Capital outlays	-	-	5,265,524	4,303,778	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 18,635,444</b>	<b>\$ 17,586,969</b>	<b>\$ 23,696,727</b>	<b>\$ 25,918,209</b>	<b>\$ 35,844,024</b>	<b>\$ 51,736,149</b>	<b>\$ 51,628,216</b>	<b>\$ 34,045,778</b>	<b>\$ 30,608,128</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (2,300,769)</b>	<b>\$ 5,667,420</b>	<b>\$ 1,422,540</b>	<b>\$ 6,289,728</b>	<b>\$ 550,231</b>	<b>\$ (5,933,860)</b>	<b>\$ (14,365,511)</b>	<b>\$ (1,524,099)</b>	<b>\$ (1,446,254)</b>
<b>Other financing sources (uses):</b>									
Proceeds from loan	\$ -	\$ 2,419,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from bond debt	-	5,000,000	14,465,000	33,845,000	-	-	-	-	-
Discount on bond debt	-	(26,850)	(655,617)	(1,376,945)	-	-	-	-	-
Premium on bond debt	-	-	54,763	-	-	-	-	-	-
Payment to bond agent	-	-	(7,838,700)	-	-	-	-	-	-
Gain on sale of land	83,877	-	-	-	-	-	-	-	-
Transfers in	6,443,683	8,310,205	17,971,517	55,430,862	14,283,215	21,894,708	20,130,396	12,134,189	-
Transfers out	(6,609,204)	(3,309,205)	(19,899,361)	(56,201,852)	(16,939,876)	(21,720,924)	(19,486,038)	(12,050,199)	-
Issuance of Long-term Debt	-	-	-	-	-	7,205,000	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (81,644)</b>	<b>\$ 12,394,021</b>	<b>\$ 4,097,602</b>	<b>\$ 31,697,065</b>	<b>\$ (2,656,661)</b>	<b>\$ 7,378,784</b>	<b>\$ 644,358</b>	<b>\$ 83,990</b>	<b>\$ -</b>
<b>Extraordinary item:</b>									
Prior period adjustments	\$ -	\$ -	\$ 290,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,882
<b>Net change in fund balances</b>	<b>\$ (2,382,413)</b>	<b>\$ 18,061,441</b>	<b>\$ 5,810,288</b>	<b>\$ 37,986,793</b>	<b>\$ (2,106,430)</b>	<b>\$ 1,444,924</b>	<b>\$ (13,721,153)</b>	<b>\$ (1,440,109)</b>	<b>\$ (1,299,372)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>13.8%</b>	<b>12.3%</b>	<b>17.3%</b>	<b>27.1%</b>	<b>18.2%</b>	<b>14.4%</b>	<b>19.6%</b>	<b>23.9%</b>	<b>19.3%</b>

The City of Coachella has elected to show only nine years of data on this schedule.

Source: City of Coachella

**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>	<u>Less Homeowners Exemption</u>	<u>Net Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Percent of Assessed Value Growth</u>
2002	518,929,607	36,613,512	482,316,095	12,316,944	469,999,151	6.69	15.25%
2003	563,976,091	37,114,840	526,861,251	12,600,169	514,261,082	6.77	9.42%
2004	633,683,194	44,960,946	588,722,248	13,236,128	575,486,120	6.90	11.91%
2005	740,838,899	90,131,233	650,707,666	13,456,266	637,251,400	6.51	10.73%
2006	1,025,752,377	93,172,403	932,579,974	14,462,424	918,117,550	5.61	44.07%
2007	1,632,382,708	104,390,591	1,527,992,117	16,443,215	1,511,548,902	4.73	64.64%
2008	2,117,495,881	116,363,279	2,001,132,602	18,019,873	1,983,112,729	4.64	31.20%
2009	2,113,810,148	124,455,289	1,989,354,859	18,982,925	1,970,371,934	4.86	-0.64%
2010	1,821,712,132	115,435,770	1,706,276,362	10,199,509	1,696,076,853	6.63	-13.92%
2011	1,642,263,955	155,857,195	1,486,406,760	11,506,708	1,474,900,052	6.63	-13.04%

Source: Riverside County Assessor's Office  
MuniServices, LLC

**City of Coachella**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
(rate per \$100 of assessed value)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>City Direct Rates:</b>										
City Basic Rate	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.077	\$ 0.118	\$ 0.118	\$ 0.131	\$ 0.103	\$ 0.103
Coachella Fire Protection	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.037	0.037
<b>Total City Direct Rate</b>	<b>\$ 0.131</b>	<b>\$ 0.131</b>	<b>\$ 0.131</b>	<b>\$ 0.131</b>	<b>\$ 0.131</b>	<b>\$ 0.172</b>	<b>\$ 0.172</b>	<b>\$ 0.185</b>	<b>\$ 0.140</b>	<b>\$ 0.140</b>
<b>Overlapping Rates:</b>										
<b>Proposition 13 Rate:</b>										
County Storm Water	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032	\$ 0.032
Coachella Sanitary Anx	-	-	-	-	-	0.063	0.063	0.063	0.031	0.031
Mosquito Abatement	0.013	0.013	0.013	0.013	0.013	0.015	0.015	0.015	0.009	0.009
Public Cemetery	0.003	0.003	0.003	0.003	0.003	0.004	0.004	0.004	0.002	0.002
Recreation & Park	0.019	0.019	0.019	0.019	0.019	0.022	0.022	0.022	0.011	0.011
Resource Conservation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unified School District	0.432	0.432	0.432	0.432	0.432	0.391	0.391	0.391	0.432	0.432
Water Improvement District 1	0.012	0.012	0.012	0.012	0.012	-	-	-	0.012	0.012
County Water	0.025	0.025	0.025	0.025	0.025	0.030	0.030	0.030	0.025	0.025
County Free Library	0.025	0.025	0.025	0.025	0.025	0.029	0.029	0.029	0.013	0.013
County General	0.196	0.196	0.196	0.196	0.196	0.198	0.198	0.198	0.182	0.182
Desert Community College	0.070	0.070	0.070	0.070	0.070	0.081	0.081	0.081	0.070	0.070
Regional Park and Open Space	0.003	0.003	0.003	0.003	0.003	0.005	0.005	0.005	0.003	0.003
School Equalization Aid	0.038	0.038	0.038	0.038	0.038	0.044	0.044	0.044	0.038	0.038
<b>Total Proposition 13 Rate</b>	<b>\$ 1.000</b>	<b>\$ 1.000</b>	<b>\$ 1.000</b>	<b>\$ 1.000</b>	<b>\$ 1.000</b>	<b>\$ 1.086</b>	<b>\$ 1.086</b>	<b>\$ 1.100</b>	<b>\$ 1.000</b>	<b>\$ 1.000</b>
<b>Voter Approved Rate:</b>										
Unified School District	\$ 0.045	\$ 0.037	\$ 0.033	\$ 0.031	\$ 0.060	\$ 0.060	\$ 0.060	\$ 0.060	\$ 0.072	\$ 0.093
Water District	0.021	0.021	0.021	0.021	0.021	0.021	0.040	0.040	0.060	0.080
Desert Community College	-	-	-	0.020	0.020	0.020	0.020	0.020	0.020	0.020
<b>Total Voter Approved Rate</b>	<b>\$ 0.066</b>	<b>\$ 0.058</b>	<b>\$ 0.053</b>	<b>\$ 0.071</b>	<b>\$ 0.100</b>	<b>\$ 0.101</b>	<b>\$ 0.120</b>	<b>\$ 0.120</b>	<b>\$ 0.152</b>	<b>\$ 0.193</b>
<b>Total Tax Rate</b>	<b>\$ 1.066</b>	<b>\$ 1.058</b>	<b>\$ 1.053</b>	<b>\$ 1.071</b>	<b>\$ 1.100</b>	<b>\$ 1.187</b>	<b>\$ 1.206</b>	<b>\$ 1.220</b>	<b>\$ 1.152</b>	<b>\$ 1.193</b>

**Note:**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, voters approved additional assessment for bond repayments to the Coachella Unified School District, Coachella Valley Water District, and Desert Community College District.

Source: Riverside County Assessor's Office  
MuniServices, LLC

**City of Coachella  
Principal Property Tax Payers**

Taxpayer	2010-11		2001-02	
	Taxable Value	Percent of Total	Taxable Value (\$)	Percent of Total
Armtec Defense Products Co	38,202,660	2.57%	0	0.00%
R R Land Inv	35,726,698	2.40%	0	0.00%
Soco	29,046,901	1.95%	0	0.00%
Desert Highlands Assoc	26,773,649	1.80%	0	0.00%
Scripps Vineyards	19,961,827	1.34%	0	0.00%
Halum Abesud	15,121,631	1.02%	0	0.00%
Sun World Packing Corp	14,976,460	1.01%	0	0.00%
JJ Brothers Construction Co.	14,664,137	0.99%	0	0.00%
Jackson Square Assoc	13,485,879	0.91%	0	0.00%
Anthony Vineyards Inc.	12,429,670	0.84%	0	0.00%
California Artichoke Veg Gro	11,928,595	0.80%	0	0.00%
Echo Trails Holdings	11,300,000	0.76%	0	0.00%
HPT TA Prop Trust	10,433,123	0.70%	0	0.00%
MFJK Partnership	10,181,063	0.68%	0	0.00%
Brandenburg Oak Grove	9,406,443	0.63%	0	0.00%
HRG Coachella Ths	8,601,891	0.58%	0	0.00%
Coca Cola Bottling Co	8,025,446	0.54%	0	0.00%
Camp Court	7,597,937	0.51%	0	0.00%
CRV Rilington Diego Coachella	7,266,447	0.49%	0	0.00%
Nika Royal	7,213,640	0.49%	0	0.00%
50th Fillmore	6,855,796	0.46%	0	0.00%
Megan World	6,399,255	0.43%	0	0.00%
Specialty Desert Lakes	6,027,100	0.41%	0	0.00%
CVP Palm Springs	5,922,630	0.40%	0	0.00%
Coachella Retail Realty Assoc	5,867,537	0.39%	0	0.00%
<b>Total Top 25 Taxpayers</b>	<b>343,416,415</b>	<b>23.10%</b>	<b>0</b>	<b>0.00%</b>
<b>Total Taxable Value</b>	<b>\$1,486,406,761</b>	<b>100.00%</b>	<b>0</b>	<b>100.00%</b>

Source: Riverside County Assessor's Office  
MuniServices, LLC

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collection in Subsequent Years	
		Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2003	4,034,206	4,034,206	100%	-	-	0%
2004	4,330,608	4,330,608	100%	-	-	0%
2005	6,322,085	6,322,085	100%	-	-	0%
2006	8,897,106	8,897,106	100%	-	-	0%
2007	14,653,414	14,653,414	100%	-	-	0%
2008	16,214,101	16,214,101	100%	-	-	0%
2009	19,703,719	19,703,719	100%	-	-	0%
2010	16,960,768	16,960,768	100%	-	-	0%
2011	14,749,000	14,749,000	100%	-	-	0%

Source: Riverside County Assessors Office  
HDL Coren & Cone

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

Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential	\$205,977	\$235,893	\$284,174	\$299,928	\$500,153	\$799,191	\$1,148,922	\$1,075,436	\$885,069	\$782,723
Commercial	55,630	54,728	57,058	58,259	65,183	78,400	138,925	152,499	282,639	295,988
Industrial	62,335	68,526	71,983	74,463	78,161	83,660	97,256	105,518	9,380	8,955
Dry Farm	10,405	11,413	11,393	12,873	13,533	18,234	18,234	18,488	18,885	18,509
Institutional	660	744	1,875	2,479	2,011	2,080	2,121	2,164	-	-
Irrigated	9,551	15,010	13,989	15,525	20,615	44,224	50,934	45,427	46,055	41,557
Miscellaneous	632	580	577	573	565	884	889	829		
Recreational	162	165	434	443	176	2,988	2,865	5,327		
Vacant Land	60,312	67,222	75,486	103,712	192,513	391,025	453,817	467,419	260,491	192,433
SBE Nonunitary	1,237	1,223	967	1,062	1,028	944	555	555	555	555
Possessory Int.	4,936	5,184	8,746	4,807	4,888	4,914	5,061	5,676	1,276	983
Unsecured	40,769	35,624	37,325	44,225	45,729	65,985	72,381	72,265	66,015	62,411
Unknown	30,966	31,801	9,542	33,437	9,053	35,463	9,281	37,751	135,911	82,546
<b>Totals</b>	<b>\$483,572</b>	<b>\$528,113</b>	<b>\$573,549</b>	<b>\$651,786</b>	<b>\$933,608</b>	<b>\$1,527,992</b>	<b>\$2,001,241</b>	<b>\$1,989,354</b>	<b>\$1,706,276</b>	<b>\$1,486,660</b>
<b>Total Direct Rate</b>	<b>0.66933%</b>	<b>0.67652%</b>	<b>0.68972%</b>	<b>0.65061%</b>	<b>0.56105%</b>	<b>0.47329%</b>	<b>0.46366%</b>	<b>0.48578%</b>	<b>0.66274%</b>	<b>0.66274%</b>

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 construction activity or at the 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 sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Exemptions not included in total.

Source: Riverside County Assessor's Office  
MuniServices, LLC



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

Fiscal Year End	Governmental Activities							Business-Type Activities							Total Primary Government	Percentage of Total Revenue
	Redevelopment Loan	Redevelopment Bonds	Financing Authority Notes	Capital Leases	Certificates of Participation	Compensated Absences	Refunding Bonds	Claims Payable	Pension Related Debt	Revenue Bonds	Revolving Fund Loan	Certificates of Participation	Capital Leases	Compensated Absences		
2011		47,505,000		-	6,850,000	555,743				25,761,785	19,960,470			290,265	100,923,263	247.75%
2010		50,545,000		81,591	6,985,000	571,239				26,281,572	20,983,114			307,408	105,754,924	236.88%
2009		51,940,000		200,193	7,115,000	723,456		644,390	2,313,442	26,798,882	21,982,766			328,983	112,047,112	250.97%
2008		52,875,000		361,242	7,205,000	809,407				22,216,746	22,959,943			373,118	106,800,456	239.22%
2007	-	53,775,000	-	467,066		773,973	-			22,664,274	20,934,609	-	-	332,317	98,947,239	221.63%
2006	-	53,077,896	-	255,299		560,355	10,620,000			12,463,042	10,741,797	-	-	-	87,718,389	196.48%
2005	1,378,824	22,657,302	5,000,000	306,770		448,254	5,725,000			12,713,036	-	-	-	-	48,229,186	133.14%
2004	2,419,870	17,175,002	5,000,000	370,301		434,673	13,152,004			-	-	3,340,000	-	-	41,891,850	117.79%
2003	-	17,545,002	-	81,797		373,819	-			-	-	11,050,541	216,184	-	29,267,343	176.15%
2002	1,642,565	17,900,002	-	52,887		405,696	-			-	-	11,320,898	421,766	-	31,743,814	320.26%

Source: City of Coachella

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed valuation	518,929,607	563,976,091	633,683,194	740,838,899	1,025,752,377	1,629,220,124	2,117,495,881	2,113,810,148	1,821,712,132	1,642,263,955
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	129,732,402	140,994,023	158,420,799	185,209,725	256,438,094	407,305,031	529,373,970	528,452,537	455,428,033	410,565,989
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	19,459,860	21,149,103	23,763,120	27,781,459	38,465,714	61,095,755	79,406,096	79,267,881	68,314,205	61,584,898
Total net debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 19,459,860</u>	<u>\$ 21,149,103</u>	<u>\$ 23,763,120</u>	<u>\$ 27,781,459</u>	<u>\$ 38,465,714</u>	<u>\$ 61,095,755</u>	<u>\$ 79,406,096</u>	<u>\$ 79,267,881</u>	<u>\$ 68,314,205</u>	<u>\$ 61,584,898</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market 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  
HDL Coren & Cone

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

Fiscal	Gross Revenues	Gross Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (2)
				Principal	Interest	Total	
2011	4,712,079	3,210,507	1,501,572	290,000	541,729	831,729	1.81
2010	3,939,291	2,837,925	1,101,366	280,000	555,188	835,188	1.32
2009	3,602,250	3,264,599	337,651	270,000	563,963	833,963	0.40
2008	3,823,755	3,176,618	647,137	265,000	571,913	836,913	0.77
2007	3,965,677	3,320,370	645,307	260,000	578,413	838,413	0.77
2006	5,269,125	2,433,014	2,836,111	250,000	584,663	834,663	3.40
2005	3,642,708	1,861,843	1,780,865	245,000	590,788	835,788	2.13
2004	2,906,703	1,418,263	1,488,440	475,000	361,840	836,840	1.78

(1) Operating expenses less depreciation, per bond official statement

(2) 1.25 debt service coverage requirement, per bond resolutions

Source: City of Coachella

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

Fiscal	Gross Revenues	Gross Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (2)
				Principal	Interest	Total	
2011	5,133,701	2,908,022	2,225,679	120,000	229,744	349,744	6.36
2010	5,008,316	2,323,891	2,684,425	115,000	236,269	351,269	7.64
2009	4,888,960	3,171,968	1,716,992	110,000	239,569	349,569	4.91
2008	4,752,600	2,555,682	2,196,918	110,000	242,869	352,869	6.23
2007	6,139,807	2,391,117	3,748,690	105,000	245,494	350,494	10.70
2006	6,218,344	2,307,908	3,910,436	105,000	240,863	345,863	11.31
2005	4,603,157	2,241,179	2,361,978	-	-	337,062	7.01
2004	3,799,752	1,872,625	1,927,127			337,906	5.70

(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

City of Coachella  
Direct and Overlapping Bonded Debt (unaudited)  
As of June 30, 2011

2010-11 Assessed Valuation:	\$ 1,485,962,894
Redevelopment Incremental Valuation:	<u>757,145,184</u>
Adjusted Assessed Valuation:	\$ 728,817,710

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 06/30/11	%	City's Share of Debt 6/30/11
		Applicable	
Desert Community College District	\$ 322,389,659	2.249%	\$ 7,250,543
Coachella Valley Unified School District	112,854,786	16.364%	18,467,557
Desert Sands Unified School District	260,875,460	21.200%	<u>553,056</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 26,271,156</b>

Ratios to 2010-11 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....1.77%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Riverside County General Fund Obligations	\$ 696,634,853	0.498%	\$ 3,469,242
Riverside County Pension Obligations	366,945,000	0.498%	1,827,386
Riverside County Board of Education Certificates of Participation	6,170,000	0.498%	30,727
Coachella Valley Unified School District Certificates of Participation	50,320,000	16.364%	8,234,365
Desert Sands Unified School District Certificates of Participation	62,005,000	0.212%	131,451
<b>City of Coachella</b>	<b>-</b>	<b>100.000%</b>	<b>- (1)</b>
Coachella Valley Recreation and Park District Certificates of Participation	2,340,000	3.715%	86,931
Coachella Valley Water District Storm Water Unit Certificates of Participa	2,750,000	3.207%	<u>88,193</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 13,868,295</b>
Less: Riverside County self-supporting obligations			<u>68,740</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 13,799,555</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ -</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$ 40,139,451</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$ 40,070,711</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$ 40,139,451 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$ 40,070,711</b>

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.  
 (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation:

Total Direct Debt .....	0.00%
Gross Combined Total Debt .....	5.51%
Net Combined Total Debt .....	5.50%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

Source: MuniServices LLC

City of Coachella  
Demographic and Economic Statistics  
Last Ten Years

<u>Calendar Year</u>	<u>Population</u>	<u>Total Work Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>	<u>School Enrollment</u>
2011	41,502	12,300	9,600	2,700	21.7%	18,464
2010	41,043	12,400	9,800	2,600	21.1%	17,499
2009	40,517	12,200	10,400	1,900	15.3%	18,203
2008	38,486	11,900	10,700	1,200	10.4%	17,499
2007	35,449	11,300	10,400	900	8.3%	16,418
2006	30,964	10,800	9,900	900	8.4%	15,452
2005	28,144	10,400	9,500	900	8.6%	14,621
2004	27,117	10,000	9,000	1,000	9.9%	13,687
2003	24,427	9,500	8,600	900	9.9%	13,173
2002	23,365	9,100	8,300	800	8.6%	12,636

Sources:

California Department of Education ([cda.ca.gov/ds/](http://cda.ca.gov/ds/))

California Employment Development Department ([labormarketinfo.edd.ca.gov](http://labormarketinfo.edd.ca.gov))

**City of Coachella**  
**Principal Employers**  
 Calendar Year 2011 and Six Years Ago

<u>Employer</u>	<u>2011</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Spotlight 29 Casino	800	1	6.72%	600	2	6.32%
Coachella Valley Unified School District	532	2	4.47%	1000	1	10.53%
Augustine Casino	428	3	3.60%	350	4	3.68%
Valley Pride	400	4	3.36%	450	5	4.74%
Teserra (formerly California Pools)	320	5	2.69%	200	7	2.11%
Esterling Defense (formerly Armtec Industr	315	6	2.65%	203	6	2.14%
Coachella Valley Water District	290	7	2.44%	450	3	4.74%
Earnie Ball/Paladar	262	8	2.20%			
Sun World	200	9	1.68%	170	8	1.79%
Cardenas	122	10	1.03%			

Source: City of Coachella

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

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
General Government					
Administration	7.00	8.50	2.95	2.05	2.05
Community Development	5.75	6.00	4.00	2.25	3.50
Finance	3.95	10.30	3.85	2.60	3.60
General Government	2.00	4.00	4.00	3.00	5.00
Neighborhood Services	7.45	8.00	5.50	2.00	1.00
Public Works	22.25	22.00	20.75	17.50	19.25
Senior Center	3.00	3.50	3.00	3.00	2.00
Landscape & Lighting District	-	-	1.00	2.00	2.00
Redevelopment Agency	6.25	3.00	10.15	8.05	8.05
Sanitary District	9.80	9.35	14.10	13.20	13.20
Water Agency	12.75	8.35	12.70	13.35	12.35
Grand Total	<u>80.20</u>	<u>83.00</u>	<u>82.00</u>	<u>69.00</u>	<u>72.00</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 Sanitary District and Redevelopment Agency.

Source: City of Coachella



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

Function	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public safety									
Police									
Substations	0	0	0	1	1	1	1	1	1
Service hours	n/a	n/a	84	110	110	110	110	110	110
Fire stations	1	1	1	1	1	1	1	1	1
Personnel (full time)	9	9	9	18	18	18	18	18	18
Support personnel	n/a	n/a	19	20	20	20	20	20	20
Highways and streets									
Streets (miles)	65	65	65	65	65	104	104	109	115
Streetlights	804	804	804	804	804	1892	1892	1893	1894
Culture and recreation									
Parks acreage	269.39	269.39	269.39	269.39	269.39	269.39	269.39	269.39	269.39
Parks	7	7	7	7	7	7	7	7	7
Swimming pools	2	2	2	2	2	2	2	2	2
Tennis courts	2	2	2	2	2	0	0	0	0
Basketball courts	0	0	0	0	0	4	4	4	4
Community center	1	1	1	1	1	1	1	1	1
Water									
Water meters activ	1971	2211	2974	4216	4216	7123	7208	7255	7278
Fire hydrants	3	4	15	35	35	537	537	537	537
Sanitary									
Plants	1	1	1	1	1	1	1	1	1
(capacity/gallon	1,200,000	1,200,000	1,200,000	2,400,000	2,400,000	4,500,000	4,500,000	4,500,000	4,500,000

Source: City of Coachella

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

Function	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Police</b>						
Murder	5	2	3	*	*	*
Rape	11	2	4	*	*	*
Robbery	88	73	41	*	*	*
Assaults (aggravated)	151	225	140	*	*	*
Burglary	392	380	360	*	*	*
Auto Theft	474	430	308	*	*	*
Larceny Theft	783	750	673	*	*	*
Arson	13	8	8	*	*	*
<b>Fire</b>						
Average Response Time (minutes)	4.6	4.2	4	3.5	3.3	3.2
Structural Fires	168	125	66	41	25	14
Commercial Fires	61	38	28	15	3	3
Other Fires	438	400	203	118	85	76
Medical aids	1381	1568	1086	1212	1239	1104
Traffic Collisions	73	93	51	121	139	136
<b>Water</b>						
New connections	1,703	240	322	85	47	23
Average daily consumption (gallons)	6,653,153	7,784,986	3,434,453	3,297,075	3,165,192	3,038,584
<b>Wastewater</b>						
Average daily sewage treatment (gallons)	2,400,000	2,470,000	2,500,000	2,516,125	2,532,354	2,548,688

\* Data unavailable

Source: City of Coachella

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- 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 tangible 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 incurrance 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 Standard (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.