

City of Coachella, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016



Prepared By:

The City of Coachella Finance Department

City of Coachella, California
Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION



December 8, 2016

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

State law requires that all general-purpose local governments publish each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Coachella for the fiscal year ended June 30, 2016. The City has complied with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. In addition to the customary fund statements included in the CAFR, Statement 34 requires that the City prepare government-wide financial statements, which include a Statement of Net Assets, and a Statement of Activities. These statements are prepared using the accrual basis of accounting, which is consistent with private business accounting, in contrast to the modified basis of accounting that is used in accounting for fund financial statements. In the financial section of this report, the reader is provided with reconciliation statements that will take the reader from the Fund Financial Statement to the Statements of Net Assets and Activities.

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

CAFR STRUCTURE

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

It is the policy of the City of Coachella to have an annual audit performed by an independent certified public accountant. The independent audit of the City's financial statements for fiscal year ended June 30, 2016, 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, 2016, provided no instances of material weaknesses in connection with the internal control structure of significant violations of applicable laws and regulations.

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

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

PROFILE OF THE CITY OF COACHELLA

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

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

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

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

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

Coachella's population is long established, with a young median age of 25.3, and is growing fast. Coachella's official population was 41,083 at the 2010 census, however according to the California Department of Finance, the estimated population was 45,407 as of January 2016. In addition, Coachella's stability is evidenced by its unusually high rate of nearly 63.9% home ownership, based on available FactFinder Census data for 2012-2014.

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

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

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

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

The adopted budget for fiscal year 2015-2016 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 \$7.7 million; an increase of \$2.26 million compared to previous year. The increase was due to an additional 1% Sales Tax (Measure U) approved by the City's voters in the November 2014 primary election. The top five economic segments producing sales taxes were, in descending order, Transportation, Food Products, General Retail, Construction, Business to Business, and Miscellaneous.

According to the State of California Employment Development Department (EDD), as of October 2016, the total workforce for the City of Coachella is 19,000 of which 17,200 were employed. The unemployment rate was 10.3%.

The General Fund ended the year with a fund balance of \$9.86 million. Of the total \$1.09 million is non-spendable, \$.96 million is Committed, and 7.81 million is unassigned.

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

MAJOR INITIATIVES

Capital Improvement Projects:

During fiscal year 2015-2016, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2015-16 fiscal year included: Avenue 52 Grade Separation, street improvements and traffic signs Ave 54, Street Calming Improvements, Traffic Signal Synchronization, Improvement to parks – Veterans Park, Street signal synchronization.

Economic Development:

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

Coachella saw its population double between 2000 and 2010 and is one of the fastest growing Cities in California, has also seen its profile grow exponentially over the last decade. Residential building permit activity increased from 21 units in FY 2014/2015 to 60 units in FY 2015/2016, an increase of 186%.

On December 11, 2013 City Council approved a proposal to build La Entrada, a 2,200 acre community. This community is expected to become an economic game-changer for the city. Over the next 20 years, the community will add 30,000 residents to Coachella and become the new gateway into the city. The community is planned to include 7,800 homes; retail center with stores, office space and business, and nearly 350 acres of open space for playgrounds, parks and hiking trails with the potential for a new soccer-centric sports venue.

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

In 2016, the City took steps to redevelop Downtown Coachella. The City implemented a Structural Property Improvement Program (SPIP) to provide grants to property owners to retrofit their seismically inhabitable commercial buildings. Then the City renovated the frequently

utilized Veteran's Memorial Park at the cost of \$4.2 million dollars and just recently purchased an equivalent of 1.3 acres of land across from City Hall to build a new state-of-the-art municipally owned library. This strategic planning will definitely keep the downtown area vibrant, walkable and a hub for the downtown commercial/retail community. Furthermore, the City is greatly anticipating the relocation of Riverside County's Department of Social Services (DPSS) from the City of Indio to Downtown Coachella. With DPSS's 200+ employees and numerous clients, the City awaits the foot traffic and spending that will occur in the downtown area.

The City is conservatively optimistic about imminent economic growth due to a community project like La Entrada; regional PACE programs; downtown redevelopment; and positive news occurring at the State. In July California became the 6th largest economy in the world and grew last year at a 3.29 percent growth rate, more than five times that of No. 3 Japan and almost twice as much as No. 4 Germany. In 2016, California's surplus reached more than \$122 billion which dwarfed the 3.5 billion budget surplus in 2015.

FINANCIAL INFORMATION

Budgetary Controls:

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

Internal Controls:

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

Discretely Presented Component Units:

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

General Governmental Functions:

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

The City's enterprise operations consist of refuse, water, and sanitary funds. The last two funds fall under the management and control of the City Council acting as Board Members and the Refuse Fund is under the direct management of the City Council. The Water Fund's operating revenues totaled \$5.99 million and operating expenses totaled \$5.44 million for fiscal year 2015-2016. The Water Fund's net asset balance at June 30, 2016 was \$24.02 million of which \$18.06 million were invested in capital assets net of related debt, \$5.59 million were committed for construction and \$.37 million was restricted.

The Sanitary Fund's operating revenues totaled \$5.41 million and operating expenses totaled \$4.66 million for fiscal year 2015-2016. The Sewer Fund's net asset balance at June 30, 2016 was \$14.47 million comprising of \$11.27 million invested in capital assets net of related debt, \$6.19 million restricted, and \$(2.98) million as unrestricted.

Cash Management:

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

Risk Management:

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

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coachella for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 4th year that the government has achieved this prestigious award. In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



Government Finance Officers Association

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

Presented to

**City of Coachella
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

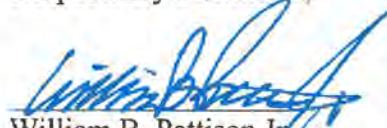
June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive style.

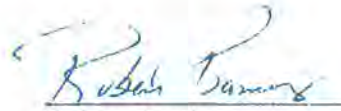
Executive Director/CEO

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

Respectfully Submitted,



William B. Pattison Jr.
Interim City Manager



Ruben Ramirez
Senior Accountant

CITY OF COACHELLA

List of Principal Officials
As of June 30, 2016

City Council - Manager Form of Government

CITY COUNCIL

Steven Hernandez
Mayor

EMMANUEL MARTINEZ
Mayor Pro Tem

BEATRIZ SANCHEZ
Council Member

V. MANUEL PÉREZ
Council Member

PHILIP BAUTISTA
Council Member

CITY ADMINISTRATION

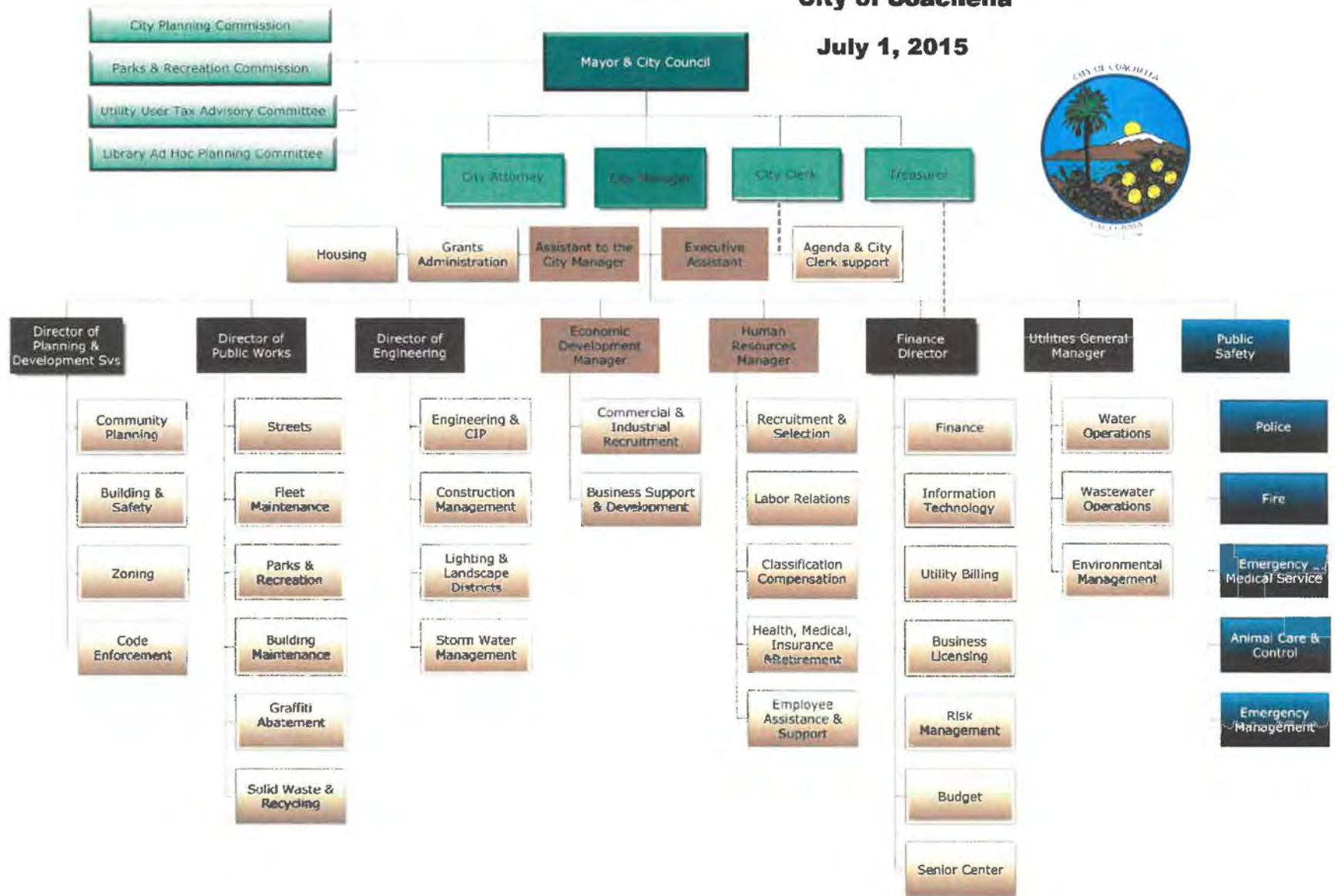
DAVID GARCIA
City Manager

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

Carlos Campos
Irene DeLeon
Angela Zepeda
Luis Lopez
William B. Pattison
Roy Grace
Jonathan Hoy
Bonifacio De La Cruz
Maritza Martinez
Scott Rogers

City of Coachella

July 1, 2015



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Reports on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coachella (the "City"), California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coachella, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis on pages 14-22, the required supplementary information items on pages 75-76, which includes pension schedules. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

December 8, 2016

Sonnenberg & Company, CPAs

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the City of Coachella (City), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal. All amounts are expressed in millions of dollars unless otherwise stated.

Financial Highlights

The assets of the City of Coachella exceeded its total liabilities at the close of the fiscal year by \$213.46 million (*net position*). Of this amount, \$187.23 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$10.39 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$13.64 million between FY 2015 and FY 2016. During the period total revenues equaled \$52.65 million, an increase of \$1.69 million over the fiscal year 2015 and expenses totaled \$39.01 million a \$0.08 million increase over the same time period. The governmental activities total net position increased by \$14.61 million and the business-type total net position decreased by \$.97 million. The decrease in the Business-type activities was essentially due to a \$.87 million decrease in Charge for Services income resulted from State of California mandatory water rationing order due to the extended drought. The increase in the governmental activities was due to a \$1.14 million in Charge for Services income received over the fiscal year 2014-15 due to an increase in permits activity in our Planning and Engineering Departments; an increase of \$.96 million of operating grants; a \$2.26 million increase in Sales and Use Tax mainly due to the implementation of Measure "U", additional 1% Sales Tax, approved by City's voters in the November 2014 primary election.

The close of the fiscal year 2015-2016, the City of Coachella's governmental funds reported combined ending fund balances of \$20.41 million, an increase of \$1.83 million in comparison with the prior year. The unassigned fund balance is \$7.81 million. The primary reason for the increase is due to the increase in revenue to the general fund as discussed earlier with the full year receipts from Measure U.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods.

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to

ensure and demonstrate compliance with the finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Coachella, assets exceeded liabilities by \$213.46 million at the close of the fiscal year. By far the largest *portion* of the City's net assets, \$187.23 million reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets and is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Coachella's Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| Current and restricted assets | 33,946,241 | \$ 34,981,609 | \$ 16,229,214 | \$ 17,167,082 | \$ 50,175,454 | \$ 52,148,691 |
| Capital assets | 164,154,000 | 151,848,236 | \$ 69,299,957 | 70,905,399 | \$ 233,453,957 | 222,753,635 |
| Total Assets | 198,100,240 | 186,829,844 | 85,529,171 | 88,072,482 | 283,629,411 | 274,902,326 |
| Deferred Outflows of Resources | 452,811 | 883,140 | 756,804 | 964,629 | 1,209,615 | 1,847,769 |
| Long-term debt outstanding | 14,236,080 | 14,288,513 | 46,095,955 | 47,003,679 | 60,332,035 | 61,292,192 |
| Other liabilities | 8,711,072 | 11,479,864 | 1,184,580 | 1,458,108 | 9,895,652 | 12,937,972 |
| Total Liabilities | 22,947,153 | 25,768,377 | 47,280,535 | 48,461,787 | 70,227,688 | 74,230,164 |
| Deferred Inflows of Resources | 646,976 | 1,594,041 | 502,436 | 1,099,505 | 1,149,412 | 2,693,546 |
| Net assets: | | | | | | |
| Invested in capital assets, | | | | | | |
| Net of related debt | 157,898,999 | 145,593,234 | 29,332,671 | 29,253,731 | 187,231,670 | 174,846,965 |
| Restricted | 4,053,609 | 4,053,609 | 11,783,670 | 12,022,868 | 15,837,279 | 16,076,477 |
| Unrestricted | 13,006,316 | 10,703,722 | (2,613,339) | (1,800,780) | 10,392,977 | 8,902,942 |
| Total Net Position | \$ 174,958,924 | \$ 160,350,565 | \$ 38,503,002 | \$ 39,475,819 | \$ 213,461,926 | \$ 199,826,384 |

The City's net position increased by \$13.64 million or 6.82 percent, during the fiscal year; reasons for this increase were given above in the Financial Highlights section.

City of Coachella's Net Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|-----------------------|-----------------------------|----------------------|----------------------|-----------------------|
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| REVENUES: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | 3,383,954 | 2,242,942 | 11,402,899 | 12,275,407 | 14,786,853 | 14,518,349 |
| Operating grants and contributions | 6,505,798 | 5,545,347 | | | 6,505,798 | 5,545,347 |
| Capital grants and contributions | 12,079,607 | 15,028,254 | | | 12,079,607 | 15,028,254 |
| General Revenues: | | | | | | |
| Property taxes | 4,944,626 | 4,632,924 | 122,031 | 119,244 | 5,066,657 | 4,752,168 |
| Sales and Use Tax | 7,699,986 | 5,440,994 | - | | 7,699,986 | 5,440,994 |
| Gas Tax | 933,945 | 951,902 | - | | 933,945 | 951,902 |
| Motor Vehicle In Lieu Tax | 241,347 | 241,822 | - | | 241,347 | 241,822 |
| Franchise Taxes | 725,654 | 722,658 | - | | 725,654 | 722,658 |
| Real Property Transfer Taxes | 273,002 | 260,926 | - | | 273,002 | 260,926 |
| Transient Occupancy Tax | 6,421 | - | - | | 6,421 | - |
| Utility Users Tax | 2,305,909 | 2,426,827 | - | | 2,305,909 | 2,426,827 |
| Interest and rental income | 240,638 | 132,856 | 191,419 | 138,131 | 432,057 | 270,987 |
| Other revenues | 1,595,993 | 807,923 | - | | 1,595,993 | 807,923 |
| TOTAL REVENUES | 40,936,880 | 38,435,375 | 11,716,349 | 12,532,782 | 52,653,229 | 50,968,157 |
| EXPENSES | | | | | | |
| General government | 4,251,234 | 4,849,757 | | | 4,251,234 | 4,849,757 |
| Public safety | 11,972,181 | 12,338,488 | | | 11,972,181 | 12,338,488 |
| Public works | 8,553,492 | 8,461,080 | | | 8,553,492 | 8,461,080 |
| Parks & recreation | 2,547,807 | 2,504,397 | | | 2,547,807 | 2,504,397 |
| Interest on long-term debt | 284,159 | 290,576 | | | 284,159 | 290,576 |
| Operating expenses | - | | 11,408,814 | 10,492,728 | 11,408,814 | 10,492,728 |
| TOTAL EXPENSES | 27,608,873 | 28,444,298 | 11,408,814 | 10,492,728 | 39,017,687 | 38,937,026 |
| Net transfers | 1,280,352 | 1,528,100 | (1,280,352) | (1,278,100) | - | 250,000 |
| INCREASE (DECREASE) IN NET POSITION | 14,608,359 | 11,519,177 | (972,817) | 761,954 | 13,635,542 | 12,281,131 |
| BEGINNING NET POSITION | 160,350,565 | 154,705,005 | 39,475,819 | 43,398,543 | 199,826,384 | 198,103,548 |
| PRIOR PERIOD ADJUSTMENT | | (5,873,617) | | (4,684,678) | - | (10,558,295) |
| ENDING NET POSITION | \$ 174,958,924 | \$ 160,350,565 | \$ 38,503,002 | \$ 39,475,819 | \$213,461,926 | \$ 199,826,384 |

Governmental activities: Governmental activities increased the City's net assets by \$14.61 million. Key elements of this increase are as follows:

While total revenues increased \$2.50 million, the city saw an increase in charges for services of \$1.14 million, an increase in sales and use tax of \$2.26 million, and increase in operating grants of \$.96 million, and an increase in other revenues of \$.79 million. There was a decrease in capital grants of \$2.95 million. The city also experienced a slight increase in property taxes of \$.31 million. Total capital grants were \$12.08 million, which made up most of the increase in net position, due to the capitalization of fixed assets created with those funds.

Total expenses from governmental activities decreased \$.84 million during the fiscal year. One of the major decreases was seen by General Government of \$.60 million, and was due to a decrease in salaries and benefits expenses due to open positions not being filled immediately and the retirement of several employees; Public Safety had a decrease of \$.37 million and was due to

the reduction of Police and Fire services with the County of Riverside. In addition, Public Works saw an increase of expenditures of \$.092 million while Park and Recreation had an increase of expenditures of \$.043 million; the increase was due to the expansion of streets and parks in the City and the resulting maintenance costs.

Business-type Activities: Business-type activities decreased its net position by \$.97 million. Business-type revenues decreased \$.82 million. The decrease was due to the State of California mandatory water rationing order due to the extended drought. However, the business-type activities had an increase of interest income of \$.054 million. Expenses increased \$.92 million. The increase was essentially due to an increase in operating expenses mainly for the design of Chromium 6 treatment options.

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 \$20.41 million, an increase of \$1.83 million in comparison with the prior year. Of the \$20.41 million total, \$1.09 million constitutes non-spendable reserves, which means that these reserves are not available to fund operating expenditures of the organization; \$5 million are restricted fund balances which are the result of external limitations on spending; \$5.69 million are committed fund balances which is the result of self-imposed limitations placed upon the funds by the Governing Board responsible for adopting the fund budget; \$1.57 million are assigned fund balances which are amounts constrained for use of specific purpose; the remainder of \$7.05 million represents unassigned fund balances or the residual net resources after taking into consideration the other classifications.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7.81 million, while the total general fund balance was \$9.86 million. As a measure of the general fund's liquidity, it may be useful to compare the total general fund balance to budgeted expenditures (including transfers out). The total fund balance represents 51.13 percent of the total budgeted expenditures.

The 2015-16 fund balance of the City's general fund is a net total of \$9.86 million which is an increase of \$2.71 million from 2014-2015. General fund revenues are \$20.16 million with expenses at \$17.12 million which is an excess of \$3.04 million. Other financing sources reduced the fund balance by \$.33 million which brings the net change in fund balance for the year to \$2.71 million.

The Development Impact Fund (DIF), a special revenue fund, is primarily used to collect development impact fees and fund capital projects. The fund ended the year with a fund balance of \$4.03 million, a decrease of \$.40 million. The DIF decrease was a direct result of capital project funding.

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

Total net position for proprietary funds finished the year at \$38.50 million. The Water Authority accounted for \$24.02 million of this total with the Sanitary District accounting for the remaining \$14.48 million.

The *Coachella Water Authority's* net position decreased \$.42 million over the fiscal year 2014-15. During the year, the Authority had total revenues and other financing sources of \$6.10 million and expenses and other financing uses of \$5.96 million. In addition, the Authority's total revenues/other financing sources decreased \$.76 million or 11.11 percent over the previous fiscal year, while expenses/other financing uses increased \$.58 million or 11.15 percent.

The *Coachella Sanitary District's* net position decreased \$.47 million or 3.14 percent over the fiscal year 2014-15. The District had revenues and other financing sources of \$5.49 million and expenses and other financing uses of \$5.45 million. Revenues/other financing sources decreased \$.06 million or 1.02 percent while expenses/other financing uses increased \$.24 million or 4.7 percent.

Capital Asset and Debt Administration

Capital assets: The City's investment in capital assets for its governmental and business-type activities at June 30, 2016, amounts to \$233.45 million (net of accumulated depreciation). The City invests in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, art work, vehicles, and equipment. This amount represents a net increase which includes additions and deletions of \$10.62 million or 4.8 percent over the previous year.

City of Coachella's Capital Assets Net of Depreciation

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| Land | \$ 14,422,131 | \$ 11,672,573 | \$ 887,772 | \$ 887,772 | \$ 15,309,903 | \$ 12,560,345 |
| Buildings & Improvements | 4,670,453 | 4,948,852 | 568,873 | 668,577 | 5,239,326 | 5,617,429 |
| Construction In Progress | 36,236,979 | 26,137,565 | 528,336 | — | 36,765,315 | 26,137,565 |
| Equipment | 814,566 | 747,839 | 2,500,183 | 2,890,067 | 3,314,749 | 3,637,906 |
| Infrastructure | 108,009,871 | 108,341,407 | 64,814,795 | 66,458,984 | 172,824,666 | 174,800,391 |
| Totals | \$ 164,154,000 | \$ 151,848,236 | \$ 69,299,959 | \$ 70,905,400 | \$ 233,453,959 | \$ 222,753,636 |

Governmental activities

- Improvements to Streets pavement \$4,405,595
- Avenue 52 Bridge \$6,519,780
- Land & Rights of Way \$2,727,246
- Structures – New/ Improvements \$156,752
- Traffic Signal Synchronization \$633,652
- Veterans Park Improvement \$1,594,433

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

Deferred Outflows of Resources: At the end of the current fiscal year, the City's governmental activities had \$.45 million in deferred amounts from pension related debt compared to \$.88 million the previous year, a decrease of \$.43 million or 48.73 percent.

The Water business type activity had \$.17 million in deferred amounts from refunding of debt compared to \$.19 million the previous year, a decrease of \$.01 million or 5.26 percent. In addition, \$.17 million in deferred amounts from pension related debt compared to \$.30 the previous year, a decrease of \$.12 million or 41.99 percent.

The Sanitary business type activity had \$.23 million in deferred amounts from refunding of debt compared to \$.17 the previous year, an increase of \$.06 million or 35.99 percent. In addition, it had \$.18 million in deferred amount from related pension debt compared to \$.30 million previous year, a decrease of \$.13 million or 42.56 percent.

The fiduciary fund had \$.040 million in deferred amounts from refunding compared to \$.044 million the previous year, a decrease of \$.003 or 7.69 percent. See independent auditor's report Note 5 Deferred Outflows of Resources.

Deferred Inflows of Resources: At the end of the current fiscal year, the City's governmental activities had \$.65 million in deferred amounts from pension related debt compared to \$1.59 million previous year a decrease of \$.95 or 59.41 percent.

The Water business-type activity had \$.25 million in deferred amount from pension related debt compared to \$.55 previous year, a decrease of \$.29 million or 54.08 percent.

The Sanitary business-type activity had \$.25 million in deferred amount from pension related debt compared to \$.55 million previous year a decrease of \$.30 million or 54.52 percent.

The fiduciary fund had \$.52 million of deferred inflows from refunding debt compared to \$.56 the previous year a decrease of \$.04 million or 6.90 percent.

City of Coachella's Deferred Outflows/Inflows of Resources

| Deferred amounts from | Governmental Activities | | Business Type Activities | | | | Fiduciary Type Activities | | Total | |
|-----------------------------|-------------------------|------------------|--------------------------|-----------------|----------------|-----------------|---------------------------|------------------|------------------|--------------------|
| | FY 2016 | FY 2015 | Water | | Sanitary | | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| | | | FY 2016 | FY 2015 | FY 2016 | FY 2015 | | | | |
| Refunding of debt | | | | | | | | | | |
| Deferred Outflows | \$ - | \$ - | \$ 177,820 | \$ 188,280 | \$ 227,361 | \$ 167,194 | \$ 40,997 | \$ 44,413 | \$ 446,178 | \$ 399,887 |
| Deferred Inflows | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (525,910) | \$ (564,866) | \$ (525,910) | \$ (564,866) |
| Pension Related Debt | | | | | | | | | | |
| Deferred Outflows | \$ 452,811 | \$ 883,140 | \$ 175,978 | \$ 303,384 | \$ 175,645 | \$ 305,771 | \$ - | \$ - | \$ 804,434 | \$ 1,492,295 |
| Deferred Inflows | \$ (646,976) | \$ (1,594,041) | \$ (251,432) | \$ (547,598) | \$ (251,004) | \$ (551,908) | \$ - | \$ - | \$ (1,149,412) | \$ (2,693,547) |
| Totals | (194,165) | (710,901) | 102,366 | (55,934) | 152,002 | (78,943) | (484,913) | (520,453) | (424,710) | (1,366,231) |

Long-term debt: At the end of the current fiscal year, the City's governmental activities had \$14.24 million in bonds, notes payable, contracts, and compensated absences compared to \$14.29 million the previous year, a decrease of \$.05 million or .37 percent. Business type activities had \$41.39 million in bonds, notes payable, contracts and compensated absences compared to \$47.00 million last year, a decrease of \$5.61 million or 11.94 percent. See independent auditor's report Note 6 Long-Term Liabilities.

| City of Coachella's Long-term Debt | | | | |
|------------------------------------|---------------------------|----------------------|--------------------------|-----------------------|
| | Governmental Activities | | Business-Type Activities | |
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| Compensated Absences | \$ 645,195 | \$ 582,524 | \$ 334,254 | \$ 311,404 |
| Certificates of Participacion | 6,090,000 | 6,255,000 | | |
| Claims Payable | 461,825 | 515,635 | | |
| Net Pension Liability | 6,020,364 | 5,865,264 | | 4,045,625 |
| OPEB Obligation | 1,018,696 | 1,070,091 | 686,201 | 385,828 |
| Loans Payable | | | 17,214,035 | 18,409,819 |
| Revenue Bonds and Notes | | | 23,158,434 | 23,851,002 |
| Totals | \$14,236,080 | \$14,288,514 | \$ 41,392,924 | \$47,003,678 |
| | Fudiciary Fund Activities | | Total | |
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| Compensated Absences | \$ - | \$ - | \$ 979,449 | \$ 893,928 |
| Certificates of Participacion | | | 6,090,000 | 6,255,000 |
| Claims Payable | | | 461,825 | 515,635 |
| Pension related debt | | | 6,020,364 | 9,910,889 |
| OPEB obligation | | | 1,704,897 | 1,455,919 |
| Contracts & leases payable | | | 17,214,035 | 18,409,819 |
| Revenue bonds and notes | 40,096,944 | 42,940,000 | 63,255,378 | 66,791,002 |
| Totals | \$ 40,096,944 | \$ 42,940,000 | \$ 95,725,948 | \$ 104,232,192 |

Economic Factors and Next Year's Budget: The economic rebound that has occurred on Wall Street has the market at an all-time high. This rebound along with California's impressive growth is now extending to the housing and real estate market. In areas like Inland Empire, the housing market has experienced significant increases in home values, in some areas by as much as 30%. Cities in the Coachella Valley have also experienced a rebound of home sale values. According to CoreLogic DataQuick, the sales count rose 1.2 percent over October 2015, and the median price, 3.8 percent. However, new construction sales continued to tumble. Sales of new homes have dropped by double digits percentages for each of the last seven months. Only 38 new homes sold in October, on par with September but a 44 percent drop from October 2015.

This recovery is viewed with caution in many areas for the following reasons:

- The Federal Reserve has maintained interest rates at historic lows and widespread refinancing of existing mortgages has eased the pressure on homeowners and allowed many families to stay in homes and continue the debt service on overvalued mortgages.
- Lending both for new mortgages and for new home construction has become very restrictive, and standards for borrowers are proving difficult for many consumers and homebuilders. Lenders have become cautious in issuing new debt while they continue to hold billions in undercapitalized loans.
- Cities still have available housing inventory; keeping demand for new construction at a low.
- The City of Coachella's housing market on new construction usually lags a year or more behind other Coachella Valley Cities due to the profitability of their product.

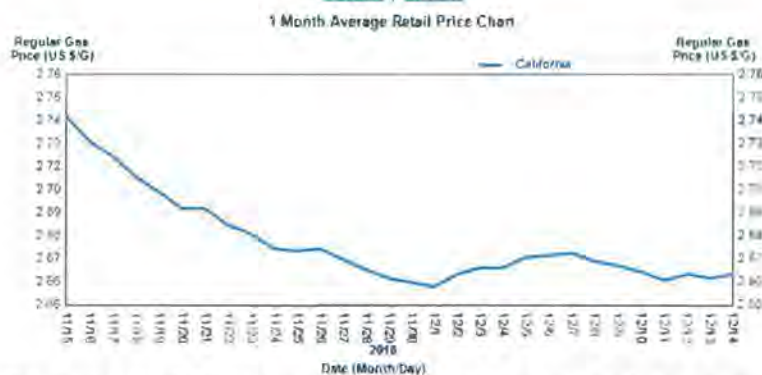
There is still an ongoing concern over the effect on the economy if the Federal Reserve allows interest rates to increase. This would result in decreasing the number of available homebuyers and extending the length of the recovering housing market. As of December 14, 2016, the Federal Reserve raised rates for the second time in a decade. America's central bank moved its benchmark interest rate higher, announcing a move from the current 0.25-0.50 percent to a range of 0.50 and 0.75 percent due to increased inflation.

Unemployment in Coachella remains steady at 10.30%, as of June 2016. What has helped to keep the unemployment rate steady is the strength and growth of the hospitality and convention industry in the rest of the Coachella Valley. Hotel bookings are up considerably and the Palm Springs Airport has seen record highs in the number of flights and passengers. With world-renown festivals like the "Coachella" Valley Music and Arts Festival, Stage Coach and Desert Trip the demand for Coachella Valley hotel rooms has increased throughout the year and has been beneficial to the overall Coachella Valley economy. As a result, the City is in the midst of several opportunities to build its first hotel.

In 2015 fluctuating price of gasoline has made it difficult to accurately forecast sales tax revenues. Since then, gas prices have stabilized (as seen below in the Historical Price Chart) with the potential of rising in 2017. OPEC in September of this year capped production to a range of 32.5 to 33 million barrels a day. This equates to nearly a 750,000 barrel-a-day drop.

Historical Price Charts

Quick charts: [1 Month](#) | [3 Month](#) | [6 Month](#) | [9 Month](#) | [1 Year](#) | [18 month](#) | [2 Years](#) | [3 Years](#) | [4 Years](#) | [5 Years](#) | [8 Years](#) | [9 Years](#) | [10 Years](#) | [11 Years](#)



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

Sales Tax: The City continues to experience growth in sales tax revenues. Sales tax revenues had an increase of \$3.93 million compared to the fiscal year 2014-15. The reason for the sizable difference is because Measure U was implemented in the last quarter of FY 2014-15 while the fiscal year 2015-16 had full four quarters of revenue. During the fiscal year 2015-16, Sales Tax Revenue were \$6.75 million; the largest increases were realized in Service Station, Food Stores, Eating & Drinking, Other outlets, Other Retail Stores, and Auto Dealers. The City should see an increase in food products and general retail as new commercial centers continue to be developed.

Revenue Outlook: The City of Coachella approved a 1% sales tax increase in November 2014. These additional, voter approved funds, will provide the revenues needed to maintain essential public services, including police and fire. The fiscal

year 2016-17 budget was approved with general fund revenue projections of \$22.15 million providing a balanced budget. Taxes of \$15.76 million, charges for services of \$.73 million, fines and forfeitures of \$.39 million, and intergovernmental of \$.86 million are expected to be the major contributors in the fiscal year surplus of \$1.51 million.

Expenditure Outlook: The fiscal year 2016-17 will see general fund expenditures budgeted at \$20.65 million. The Public Safety budget continues to dominate with a budget of \$10.27 million, which represents 49.76 percent of the general fund. Assessments from the public safety community facilities district (CFD) offset some of the burdens of providing police and fire services to a growing population as well as the Utility User Tax that is expected to provide \$2.93 million in revenue to the general fund.

Requests for information

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

BASIC FINANCIAL STATEMENTS

City of Coachella
Statement of Net Position
June 30, 2016

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 20,801,085 | \$ 3,400,197 | \$ 24,201,282 |
| Accounts Receivable | 266,015 | 851,554 | 1,117,569 |
| Deposits Receivable | - | - | - |
| Loans Receivable, Net | 4,852,667 | - | 4,852,667 |
| Prepaid Expenses and Deposits | 1,086,738 | 138,660 | 1,225,398 |
| Due from Other Governments | 4,514,828 | 55,130 | 4,569,958 |
| Due from Private Purpose Trust Fund | 1,957,248 | - | 1,957,248 |
| Restricted Cash and Investments | 467,662 | 11,783,670 | 12,251,332 |
| Capital Assets Not Being Depreciated | 50,659,112 | 1,416,108 | 52,075,220 |
| Capital Assets, Net of Depreciation | 113,494,888 | 67,883,851 | 181,378,739 |
| Total Assets | <u>198,100,243</u> | <u>85,529,170</u> | <u>283,629,413</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount from Refunding of Debt | - | 405,181 | 405,181 |
| Deferred Amount from Pension | 452,811 | 351,623 | 804,434 |
| Total Deferred Outflows of Resources | <u>452,811</u> | <u>756,804</u> | <u>1,209,615</u> |
| LIABILITIES | | | |
| Accounts Payable and Accrued Liabilities | 7,322,934 | 370,970 | 7,693,904 |
| Deposits and Other Liabilities | 679,191 | 397,347 | 1,076,538 |
| Due to Other Governments | 9,563 | - | 9,563 |
| Unearned Revenue | 676,210 | - | 676,210 |
| Interest Payable | 23,176 | 416,263 | 439,439 |
| Long-term Liabilities: | | | |
| Due Within One Year | 492,597 | 2,114,129 | 2,606,726 |
| Due in More than One Year | 13,743,483 | 43,981,827 | 57,725,310 |
| Total Liabilities | <u>22,947,154</u> | <u>47,280,536</u> | <u>70,227,690</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Total Deferred Inflows from Pension | <u>646,976</u> | <u>502,436</u> | <u>1,149,412</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 157,899,000 | 29,332,671 | 187,231,671 |
| Restricted for: | | | |
| Low Income Housing | 409,123 | - | 409,123 |
| Highways and Streets | 3,299,355 | - | 3,299,355 |
| Other Purposes | 345,131 | - | 345,131 |
| Capital Projects | - | 11,783,670 | 11,783,670 |
| Unrestricted | <u>13,006,315</u> | <u>(2,613,339)</u> | <u>10,392,976</u> |
| Total Net Position | <u>\$ 174,958,924</u> | <u>\$ 38,503,002</u> | <u>\$ 213,461,926</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Activities
For The Fiscal Year Ended June 30, 2016

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General Government | \$ 4,251,235 | \$ 1,403,812 | \$ 374,292 | \$ - |
| Public Safety | 11,972,181 | 923,539 | 3,269,320 | - |
| Public Works | 8,553,492 | 993,438 | 2,862,186 | 12,079,607 |
| Parks and Recreation | 2,547,807 | 63,165 | - | - |
| Interest on Long-term Debt | 284,159 | - | - | - |
| Total Governmental Activities | 27,608,874 | 3,383,954 | 6,505,798 | 12,079,607 |
| Business-type Activities: | | | | |
| Water Utility | 5,957,705 | 5,991,334 | - | - |
| Sewer Utility | 5,451,109 | 5,411,565 | - | - |
| Total Business-type Activities | 11,408,814 | 11,402,899 | - | - |
| Total Primary Government | \$ 39,017,688 | \$ 14,786,853 | \$ 6,505,798 | \$ 12,079,607 |

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (2,473,131) | \$ | \$ (2,473,131) |
| (7,779,322) | | (7,779,322) |
| 7,381,739 | | 7,381,739 |
| (2,484,642) | | (2,484,642) |
| (284,159) | | (284,159) |
| <u>(5,639,515)</u> | <u>-</u> | <u>(5,639,515)</u> |
| | 33,629 | 33,629 |
| | (39,544) | (39,544) |
| - | (5,915) | (5,915) |
| <u>(5,639,515)</u> | <u>(5,915)</u> | <u>(5,645,430)</u> |
| 4,944,626 | 122,031 | 5,066,657 |
| 7,699,986 | | 7,699,986 |
| 933,945 | | 933,945 |
| 241,347 | | 241,347 |
| 725,654 | | 725,654 |
| 273,002 | | 273,002 |
| 6,421 | | |
| 2,305,909 | | 2,305,909 |
| 240,638 | 191,419 | 432,057 |
| 1,595,994 | | 1,595,994 |
| 1,280,352 | (1,280,352) | - |
| <u>20,247,874</u> | <u>(966,902)</u> | <u>19,280,972</u> |
| 14,608,359 | (972,817) | 13,635,542 |
| <u>160,350,565</u> | <u>39,475,819</u> | <u>199,826,384</u> |
| <u>\$ 174,958,924</u> | <u>\$ 38,503,002</u> | <u>\$ 213,461,926</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Balance Sheet
Governmental Funds
June 30, 2016

| | General Fund | Special Revenue | | Development Impact Fund |
|---|----------------------|-----------------------|--------------------------------|-------------------------------|
| | | State Gas Tax Fund | Indian Gaming Grants SB 621 | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| ASSETS: | | | | |
| Cash and Investments | \$ 6,369,134 | \$ 2,481,697 | \$ 593,990 | \$ 5,089,543 |
| Receivables: | | | | |
| Accounts Receivable | 266,015 | | | |
| Deposits Receivable | | | | |
| Due from Other Governments | 2,199,269 | | | |
| Loans Receivable | | | | |
| Due from Other Funds | 1,372,707 | | | |
| Due from Private-Purpose Trust Fund | 1,957,248 | | | |
| Prepays and Deposits | 1,086,738 | | | |
| Restricted assets: | | | | |
| Cash and Investments with Fiscal Agent | | | | |
| Total Assets | <u>13,251,111</u> | <u>2,481,697</u> | <u>593,990</u> | <u>5,089,543</u> |
| Deferred Outflows of Resources | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ 13,251,111</u> | <u>\$ 2,481,697</u> | <u>\$ 593,990</u> | <u>\$ 5,089,543</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable and Accrued Liabilities | \$ 3,160,185 | \$ | \$ | \$ 41,816 |
| Deposits and Other Liabilities | 72,847 | | | 126,900 |
| Due to Other Governments | | | | |
| Due to Other Funds | 75,000 | 494,803 | | 892,000 |
| Unearned Revenue | 82,220 | | 593,990 | |
| Total Liabilities | <u>3,390,252</u> | <u>494,803</u> | <u>593,990</u> | <u>1,060,716</u> |
| Deferred Inflows of Resources | - | - | - | - |
| Fund Balances: | | | | |
| Nonspendable | 1,086,738 | | | |
| Restricted | 1,048 | 1,986,894 | | |
| Committed | 962,021 | | | 4,723,856 |
| Assigned | 545 | | | |
| Unassigned | 7,810,507 | | | (695,029) |
| Total Fund Balances | <u>9,860,859</u> | <u>1,986,894</u> | <u>-</u> | <u>4,028,827</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 13,251,111</u> | <u>\$ 2,481,697</u> | <u>\$ 593,990</u> | <u>\$ 5,089,543</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Balance Sheet
Governmental Funds
June 30, 2016

| Special Revenue | | Capital Project | | Other Governmental Funds | Total Governmental Funds |
|-------------------------------|---------------------------|------------------------------------|---------------------|--------------------------------|--------------------------------|
| ECD Entitlement Program | HOME Program Income | Capital Improvement Projects | | | |
| \$ 1,432,690 | \$ 327,012 | \$ | \$ 4,507,019 | \$ 20,801,085 | |
| | | | | | 266,015 |
| 2,154,124 | | 979 | 160,456 | | 4,514,828 |
| | 3,860,090 | | 992,577 | | 4,852,667 |
| | | 3,735,892 | - | | 5,108,599 |
| | | | | | 1,957,248 |
| | | | | | 1,086,738 |
| | | | 467,662 | | 467,662 |
| 3,586,814 | 4,187,102 | 3,736,871 | 6,127,714 | | 39,054,842 |
| - | - | - | - | | - |
| <u>\$ 3,586,814</u> | <u>\$ 4,187,102</u> | <u>\$ 3,736,871</u> | <u>\$ 6,127,714</u> | | <u>\$ 39,054,842</u> |
| \$ | \$ | \$ 3,257,427 | \$ 863,505 | \$ 7,322,933 | |
| | | 479,444 | | 679,191 | |
| | | | 9,563 | 9,563 | |
| 3,586,009 | | | 60,787 | 5,108,599 | |
| | 3,860,090 | | 992,577 | 5,528,877 | |
| 3,586,009 | 3,860,090 | 3,736,871 | 1,926,432 | | 18,649,163 |
| - | - | - | - | | - |
| | | | | | 1,086,738 |
| 805 | 327,012 | | 2,692,404 | | 5,008,163 |
| | | | | | 5,685,877 |
| | | | 1,571,138 | | 1,571,683 |
| | | | (62,260) | | 7,053,218 |
| 805 | 327,012 | - | 4,201,282 | | 20,405,679 |
| <u>\$ 3,586,814</u> | <u>\$ 4,187,102</u> | <u>\$ 3,736,871</u> | <u>\$ 6,127,714</u> | | <u>\$ 39,054,842</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016

| | | |
|--|----|---------------------------|
| Fund Balances of Governmental Funds | \$ | 20,405,679 |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds. | | 164,154,000 |
| Certain revenues in governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, on the accrual basis they are included as revenue in the government-wide statements. | | 4,852,666 |
| Deferred Inflows and Outflows | | |
| Deferred outflows related to pensions | | 452,811 |
| Deferred inflows related to pensions | | (646,976) |
| Long-term liabilities are not due and payable in the current period and are not reported in the Funds. | | |
| Interest Payable on Long-term Liabilities | | (23,176) |
| Long-term Liabilities | | <u>(14,236,080)</u> |
| Net Position of Governmental Activities | \$ | <u><u>174,958,924</u></u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Fiscal Year Ended June 30, 2016

| | General Fund | Special Revenue | | |
|---|---------------------|-----------------------|--------------------------------|-------------------------------|
| | | State Gas Tax Fund | Indian Gaming Grants SB 621 | Development Impact Fund |
| REVENUES | | | | |
| Taxes | \$ 16,483,448 | | \$ | \$ |
| Licenses, Permits and Fees | 798,212 | | | |
| Charges for Services | 411,845 | | | |
| Fines, Forfeitures and Penalties | 502,295 | | | |
| Intergovernmental | 396,551 | 952,886 | 2,068,836 | |
| Developer Fees | | | | 993,438 |
| Special Assessments | 843,068 | | | |
| Investment Income | 90,840 | | | 64,217 |
| Other Revenue | 638,919 | | | |
| Total Revenues | <u>20,165,178</u> | <u>952,886</u> | <u>2,068,836</u> | <u>1,057,655</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 4,343,113 | | | |
| Fire | | | | |
| Community Development | 493,235 | | | |
| Building Department | 216,277 | | | |
| Engineering Department | 362,340 | | | |
| Public Safety - Police | 7,738,136 | | | |
| Public Safety - Animal Control | 292,133 | | | |
| Public Works | 1,627,221 | 933,946 | | 10,194 |
| Parks and Recreation | 2,028,230 | | | |
| Capital Outlay | 23,310 | | | 87,574 |
| Debt Service: | | | | |
| Principal Retirement | | | | |
| Interest and Fiscal Charges | | | | |
| Total Expenditures | <u>17,123,995</u> | <u>933,946</u> | <u>-</u> | <u>97,768</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>3,041,183</u> | <u>18,940</u> | <u>2,068,836</u> | <u>959,887</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 1,853,070 | | | 30,672 |
| Transfers Out | (2,181,632) | (197,354) | (2,068,836) | (1,386,872) |
| Total Other Financing Sources (Uses) | <u>(328,562)</u> | <u>(197,354)</u> | <u>(2,068,836)</u> | <u>(1,356,200)</u> |
| Net Change in Fund Balances | <u>2,712,621</u> | <u>(178,414)</u> | <u>-</u> | <u>(396,313)</u> |
| Fund Balances, Beginning of Year | <u>7,148,238</u> | <u>2,165,308</u> | <u>-</u> | <u>4,425,140</u> |
| Fund Balances, End of Year | <u>\$ 9,860,859</u> | <u>\$ 1,986,894</u> | <u>\$ -</u> | <u>\$ 4,028,827</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Fiscal Year Ended June 30, 2016

| Special Revenue | | Capital Project | | Total |
|-------------------------------|---------------------------|------------------------------------|--------------------------------|-----------------------|
| ECD Entitlement Program | HOME Program Income | Capital Improvement Projects | Other Governmental Funds | Governmental Funds |
| \$ | \$ | \$ | \$ | \$ |
| | | | 681,290 | 17,164,738 |
| | | | 39,135 | 798,212 |
| 11,487,695 | 91,306 | | 926,692 | 450,980 |
| | | | | 502,295 |
| | | | | 15,923,966 |
| | | | 2,385,425 | 993,438 |
| | 3,567 | | 82,014 | 3,228,493 |
| | | 945,890 | 11,184 | 240,638 |
| | | | | 1,595,993 |
| 11,487,695 | 94,873 | 945,890 | 4,125,740 | 40,898,753 |
| | | | 4,901 | 4,348,014 |
| | | | 2,803,231 | 2,803,231 |
| | | | | 493,235 |
| | | | | 216,277 |
| | | | | 362,340 |
| | | | | 7,738,136 |
| 11,204 | | 26,710 | 2,552,589 | 292,133 |
| | | | | 5,161,864 |
| 155,682 | | 16,186,415 | | 2,028,230 |
| | | | | 16,452,981 |
| | | | 165,000 | 165,000 |
| | | | 284,709 | 284,709 |
| 166,886 | - | 16,213,125 | 5,810,430 | 40,346,150 |
| 11,320,809 | 94,873 | (15,267,235) | (1,684,690) | 552,603 |
| 21,392 | | 15,297,907 | 2,106,632 | 19,309,673 |
| (11,341,671) | | (30,672) | (822,284) | (18,029,321) |
| (11,320,279) | - | 15,267,235 | 1,284,348 | 1,280,352 |
| 530 | 94,873 | - | (400,342) | 1,832,955 |
| 275 | 232,139 | - | 4,601,624 | 18,572,724 |
| \$ 805 | \$ 327,012 | \$ - | \$ 4,201,282 | \$ 20,405,679 |

The accompanying notes are an integral part of this statement.

City of Coachella
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For The Fiscal Year Ended June 30, 2016

| | | |
|---|----|-------------------|
| Net Change in Fund Balances - Governmental Funds | \$ | 1,832,955 |
| 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 | | 16,452,981 |
| Depreciation | | (4,147,217) |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported in the Funds. | | |
| | | (100,081) |
| Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position. | | |
| Long-term Debt Principal Payments | | 165,000 |
| Claims Payable | | 53,810 |
| Pension Related Debt Payments | | 361,636 |
| OPEB Obligation | | 51,395 |
| 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. | | |
| | | (62,670) |
| 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 | | 550 |
| Change in Net Position of Governmental Activities | \$ | <u>14,608,359</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Net Position
Proprietary Funds
June 30, 2016

| | Business-type Activities | | Totals |
|---|--------------------------|----------------------|----------------------|
| | Water Authority | Sanitary District | |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Investments | \$ 3,400,197 | \$ | \$ 3,400,197 |
| Receivables: | | | |
| Accounts Receivable, Net | 628,990 | 222,564 | 851,554 |
| Due from Other Governments | | 55,130 | 55,130 |
| Prepaid Bond Insurance | 110,252 | 28,408 | 138,660 |
| Restricted Assets: | | | |
| Restricted Cash and Investments with Fiscal Agent | 5,593,893 | 6,189,777 | 11,783,670 |
| Total Current Assets | <u>9,733,332</u> | <u>6,495,879</u> | <u>16,229,211</u> |
| Noncurrent Assets: | | | |
| Capital Assets Not Being Depreciated | 699,021 | 717,087 | 1,416,108 |
| Capital Assets Being Depreciated | 60,591,657 | 61,894,484 | 122,486,141 |
| Less: Accumulated Depreciation | (28,989,376) | (25,612,914) | (54,602,290) |
| Total Noncurrent Assets | <u>32,301,302</u> | <u>36,998,657</u> | <u>69,299,959</u> |
| Total Assets | <u>42,034,634</u> | <u>43,494,536</u> | <u>85,529,170</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount from Debt Refunding | 177,820 | 227,361 | 405,181 |
| Deferred Amount from Pension | 175,978 | 175,645 | 351,623 |
| Total Deferred Outflows of Resources | <u>353,798</u> | <u>403,006</u> | <u>756,804</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | 182,294 | 134,331 | 316,625 |
| Accrued Wages Payable | 27,240 | 27,105 | 54,345 |
| Deposits Payable | 397,347 | | 397,347 |
| Interest Payable | 230,270 | 185,993 | 416,263 |
| Compensated Absences - Current Portion | 85,966 | 94,992 | 180,958 |
| Bonds Payable - Current Portion | 484,959 | 226,075 | 711,034 |
| Loans Payable - Current Portion | | 1,222,137 | 1,222,137 |
| Total Current Liabilities | <u>1,408,076</u> | <u>1,890,633</u> | <u>3,298,709</u> |
| Noncurrent Liabilities: | | | |
| Compensated Absences - Less Current Portion | 85,967 | 94,991 | 180,958 |
| Net OPEB Obligation | 343,125 | 343,076 | 686,201 |
| Net Pension Liability | 2,339,678 | 2,335,692 | 4,675,370 |
| Bonds Payable - Less Current Portion | 13,935,305 | 8,512,095 | 22,447,400 |
| Loans Payable - Less Current Portion | | 15,991,898 | 15,991,898 |
| Total Noncurrent Liabilities | <u>16,704,075</u> | <u>27,277,752</u> | <u>43,981,827</u> |
| Total Liabilities | <u>18,112,151</u> | <u>29,168,385</u> | <u>47,280,536</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows from Pension | 251,432 | 251,004 | 502,436 |
| NET POSITION | | | |
| Net Investment In Capital Assets | 18,058,858 | 11,273,813 | 29,332,671 |
| Restricted for: | | | |
| Capital Projects | 5,593,893 | 6,189,777 | 11,783,670 |
| Unrestricted | 372,098 | (2,985,437) | (2,613,339) |
| Total Net Position | <u>\$ 24,024,849</u> | <u>\$ 14,478,153</u> | <u>\$ 38,503,002</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2016

| | Business-type Activities Enterprise Funds | | Totals |
|---|--|----------------------|----------------------|
| | Water Authority | Sanitary District | |
| OPERATING REVENUES | | | |
| Charges for Services | \$ 5,352,741 | \$ 5,023,351 | \$ 10,376,092 |
| Connection Charges | 164,793 | 255,688 | 420,481 |
| Other Revenue | 473,800 | 132,526 | 606,326 |
| Total Operating Revenue | <u>5,991,334</u> | <u>5,411,565</u> | <u>11,402,899</u> |
| OPERATING EXPENSES | | | |
| Salaries and Benefits | 1,237,779 | 1,260,180 | 2,497,959 |
| Administrative and General | 956,519 | 978,082 | 1,934,601 |
| Professional Services | 736,461 | 518,171 | 1,254,632 |
| Materials and Supplies | 422,548 | 172,548 | 595,096 |
| Repairs and Maintenance | 40,998 | 75,262 | 116,260 |
| Utilities | 651,190 | 353,759 | 1,004,949 |
| Depreciation and Amortization | 1,397,384 | 1,305,579 | 2,702,963 |
| Total Operating Expenses | <u>5,442,879</u> | <u>4,663,581</u> | <u>10,106,460</u> |
| Operating Income | <u>548,455</u> | <u>747,984</u> | <u>1,296,439</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Property Taxes | | 122,031 | 122,031 |
| Investment Income | 114,002 | 77,417 | 191,419 |
| Interest Expense and Fiscal Charges | (514,826) | (787,528) | (1,302,354) |
| Total Nonoperating Revenues (Expenses) | <u>(400,824)</u> | <u>(588,080)</u> | <u>(988,904)</u> |
| Income Before Transfers | <u>147,631</u> | <u>159,904</u> | <u>307,535</u> |
| Transfers Out | <u>(651,332)</u> | <u>(629,020)</u> | <u>(1,280,352)</u> |
| Total Transfers | <u>(651,332)</u> | <u>(629,020)</u> | <u>(1,280,352)</u> |
| Change in Net Position | <u>(503,701)</u> | <u>(469,116)</u> | <u>(972,817)</u> |
| Total Net Position, Beginning of Year | <u>24,528,550</u> | <u>14,947,269</u> | <u>39,475,819</u> |
| Total Net Position, End of Year | <u>\$ 24,024,849</u> | <u>\$ 14,478,153</u> | <u>\$ 38,503,002</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2016

| | Business-type Activities | | Totals |
|--|---------------------------------|--------------------------|----------------------|
| | Enterprise Funds | | |
| | Water Authority | Sanitary District | |
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 6,142,129 | \$ 5,696,098 | \$ 11,838,227 |
| Cash Payments to Suppliers | (2,855,008) | (2,116,347) | (4,971,355) |
| Cash Payments to Employees for Services | (947,051) | (1,179,188) | (2,126,239) |
| Net Cash Provided (Used) by Operating Activities | <u>2,340,070</u> | <u>2,400,563</u> | <u>4,740,633</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Property Taxes Received | | 122,031 | 122,031 |
| Net Cash Provided (Used) by Noncapital Financing Activities | | <u>122,031</u> | <u>122,031</u> |
| Cash Flows From Capital and Related Financing Activities | | | |
| Principal Paid on Long-Term Debt | (507,376) | (5,571,018) | (6,078,394) |
| Proceeds from Long-Term Debt | | 4,260,000 | 4,260,000 |
| Interest Paid on Long-Term Debt | (558,123) | (808,751) | (1,366,874) |
| Acquisition and Construction of Capital Assets, net | (799,308) | (298,217) | (1,097,525) |
| Contributions to/from Other Government | (651,332) | (629,020) | (1,280,352) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(2,516,139)</u> | <u>(3,047,006)</u> | <u>(5,563,145)</u> |
| Cash Flows from Investing Activities | | | |
| Interest on Investments | 114,001 | 77,417 | 191,418 |
| Net Cash Provided (Used) by Investing Activities | <u>114,001</u> | <u>77,417</u> | <u>191,418</u> |
| Net Change in Cash and Cash Equivalents | (62,068) | (446,995) | (509,063) |
| Cash and Cash Equivalents - Beginning of the Year | <u>9,056,158</u> | <u>6,636,772</u> | <u>15,692,930</u> |
| Cash and Cash Equivalents - End of the Year | <u>\$ 8,994,090</u> | <u>\$ 6,189,777</u> | <u>\$ 15,183,867</u> |
| Cash and Investments: | | | |
| Cash and Investments | \$ 3,400,197 | \$ - | \$ 3,400,197 |
| Restricted Cash | 5,593,893 | 6,189,777 | 11,783,670 |
| Total Cash and Cash Equivalents | <u>\$ 8,994,090</u> | <u>\$ 6,189,777</u> | <u>\$ 15,183,867</u> |

The accompanying notes are an integral part of this statement.

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

| | Business-type Activities | | |
|---|---------------------------------|------------------------------|---------------------|
| | Enterprise Funds | | |
| | <u>Water Authority</u> | <u>Sanitary District</u> | <u>Totals</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income | \$ 548,455 | \$ 747,984 | \$ 1,296,439 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | |
| Depreciation and Amortization | 1,397,384 | 1,305,579 | 2,702,963 |
| Changes in Assets and Liabilities: | | | |
| Decrease (Increase) in Accounts Receivable | 166,200 | 284,533 | 450,733 |
| Decrease (Increase) in Prepaid Bond Insurance | | 28,408 | 28,408 |
| Increase (Decrease) in Accounts Payable | (47,292) | (18,525) | (65,817) |
| Increase (Decrease) in Accrued Payroll | (82,724) | (80,202) | (162,926) |
| Increase (Decrease) in Deposits Payable | (15,405) | | (15,405) |
| Increase (Decrease) in Compensated Absences Payable | 22,667 | 27,845 | 50,512 |
| Increase (Decrease) in Net Pension Liability | 208,122 | (52,769) | 155,353 |
| Increase (Decrease) in Net OPEB Obligation | 142,663 | 157,710 | 300,373 |
| Total Adjustments | <u>1,791,615</u> | <u>1,652,579</u> | <u>3,444,194</u> |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ 2,340,070</u> | <u>\$ 2,400,563</u> | <u>\$ 4,740,633</u> |
| Noncash Investing, Capital and Financing Activities | | | |
| Amortization of (Premium)/Discount on Bonds | <u>\$ (35,140)</u> | <u>\$ 292,840</u> | <u>\$ 257,700</u> |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2016

| | Successor Agency Private-Purpose Trust Fund | Agency Funds |
|--|---|--------------|
| ASSETS | | |
| Cash and Investments | \$ 2,132,776 | \$ 2,765,184 |
| Prepaid Bond Insurance | 310,865 | |
| Receivables: | | |
| Accounts Receivable, net of allowance of \$400,905 | 145,955 | 45,898 |
| Loans Receivable | 2,416,805 | |
| Restricted Assets: | | |
| Restricted Cash and Investments | 2,394,022 | |
| Land Held for Resale | 1,518,209 | |
| Total Assets | 8,918,632 | \$ 2,811,082 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Bond Refunding Deferred Outflows of Resources | 40,997 | |
| LIABILITIES | | |
| Pass-through Payable | | \$ 2,178,023 |
| Claims Payable | | 1,410 |
| Due To City of Coachella | 1,957,248 | |
| Due To Refuse Service Provider | | 34,555 |
| Deposits Payable | | 597,094 |
| Accrued Interest Payable | 479,862 | |
| Long-term Liabilities: | | |
| Due Within One Year | 1,470,000 | |
| Due in More than One Year | 38,626,944 | |
| Total Liabilities | 42,534,054 | \$ 2,811,082 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Bond Refunding Deferred Inflows of Resources | 525,910 | |
| NET POSITION HELD IN TRUST | \$ (34,100,335) | |

The accompanying notes are an integral part of this statement.

City of Coachella
Statement Of Changes in Fiduciary Net Position - Fiduciary Funds
For The Fiscal Year Ended June 30, 2016

| | Successor Agency Private-Purpose Trust Fund |
|--|---|
| ADDITIONS | |
| Contributions: | |
| Redevelopment Agency Property Tax Trust Fund | \$ 3,791,564 |
| Total Contributions | 3,791,564 |
| | |
| Interest and Investment Revenue | |
| Use of money and property | 25,142 |
| Total Use of Money and Property | 25,142 |
| Total Additions | 3,816,706 |
| DEDUCTIONS | |
| Payments Made: | |
| Payments to City of Coachella | 250,000 |
| Total Payments to Other Governments | 250,000 |
| | |
| Obligation Retirements: | |
| Interest on Note Payable | 1,623,791 |
| Total Obligation Retirements | 1,623,791 |
| | |
| Administrative Expenses: | |
| Administrative Expenses | 771,242 |
| Total Administrative Expenses | 771,242 |
| Total Deductions | 2,645,033 |
| Change in Net Position | 1,171,673 |
| | |
| Net Position Held in Trust - Beginning | (35,272,008) |
| | |
| Net Position Held in Trust - Ending | \$ (34,100,335) |

The accompanying notes are an integral part of this statement.

City of Coachella
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

| | <u>General Deposits Fund</u> | <u>Flood Control Capital Facilities Fund</u> | <u>Employee Flex Plan Deposits</u> |
|--|--------------------------------------|--|--|
| ASSETS | | | |
| Cash and Investments | \$ 585,751 | \$ 2,178,023 | \$ 1,410 |
| Accounts Receivable | 8,175 | | |
| | <u>593,926</u> | <u>2,178,023</u> | <u>1,410</u> |
| Total Assets | <u>\$ 593,926</u> | <u>\$ 2,178,023</u> | <u>\$ 1,410</u> |
| LIABILITIES | | | |
| Pass-through Payable | \$ - | \$ 2,178,023 | \$ - |
| Claims Payable | | | 1,410 |
| Due to Refuse Service Provider Deposits Payable | <u>593,926</u> | | |
| Total Liabilities | <u>\$ 593,926</u> | <u>\$ 2,178,023</u> | <u>\$ 1,410</u> |

| <u>Refuse Fund</u> | <u>Total Agency Funds</u> |
|------------------------|-------------------------------|
| \$ - | \$ 2,765,184 |
| <u>37,723</u> | <u>45,898</u> |
| <u>\$ 37,723</u> | <u>\$ 2,811,082</u> |

| | |
|------------------|---------------------|
| \$ - | \$ 2,178,023 |
| | 1,410 |
| 34,555 | 34,555 |
| <u>3,168</u> | <u>597,094</u> |
| <u>\$ 37,723</u> | <u>\$ 2,811,082</u> |

NOTES TO THE FINANCIAL STATEMENTS

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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|-------------|---|-------------|
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City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of the Reporting Entity

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

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

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

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

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

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

A) Description of the Reporting Entity – Continued

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

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

B) Government-wide and Fund Financial Statements

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

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

Government-wide Statements: The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fee and charges for support.

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

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

B) Government-wide and Fund Financial Statements - Continued

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

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

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges to customers for services provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

D) Use of Estimates in the Preparation of Financial Statements

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

E) Cash and Investments

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

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC-registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General Fund to the extent its cash and investments' balance exceeds the cumulative value of those investments subject to GASB 31;
- 4) The gain/loss resulting from valuation will be reported within the revenue account "Investment Income" on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds. For Proprietary and Fiduciary Fund Types the gain/loss from valuation will be reported within the "Investment Income" account on the Statement of Revenues, Expenses and Changes in Net Position for Proprietary Funds and the Statement of Changes in Fiduciary Net Position for the Fiduciary Fund.

F) Inter-fund Activity

In the governmental fund financial statements, activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans).

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

G) Capital Assets and Depreciation

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

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

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

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

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

H) Long-term Liabilities

In the government-wide and proprietary funds financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

I) Fund Balance

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

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

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

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

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

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

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

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

Assigned fund balance – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the city manager or the appointed designee based on the City's approved policies. The City's assigned fund balance at June 30, 2016 totaled \$1,633,943 for highways and streets.

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

1) Fund Balance - Continued

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Spending Policy

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

| | General Fund | State Gas Tax | Development Impact Fund | ECD Entitlement Program | HOME Program Income | Non-major Funds | Total |
|--|---------------------|---------------------|-------------------------|-------------------------|---------------------|---------------------|----------------------|
| Fund Balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepays and Deposits | \$ 1,086,738 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,086,738 |
| Restricted for: | | | | | | | |
| Low Income Housing | 1,048 | | | | 327,012 | 189,414 | 517,474 |
| Highways and Streets | | 1,986,894 | | | | 1,619,406 | 3,606,300 |
| Other purposes | | | | 805 | | 393,349 | 394,154 |
| Public Safety - Fire Protection | | | | | | 21,735 | 21,735 |
| Debt Service | | | | | | 468,500 | 468,500 |
| Committed to: | | | | | | | |
| Public Facilities-Library | 923,693 | | | | | | 923,693 |
| Public Facilities-Bus Shelter | | | 231,768 | | | | 231,768 |
| Public Facilities-Police Facilities | 34,182 | | 488,013 | | | | 522,195 |
| Public Facilities- General Government | 4,146 | | 1,027,528 | | | | 1,031,674 |
| Public Facilities-Fire Facilities | | | 738,467 | | | | 738,467 |
| Capital Projects-Park Improvement | | | 639,058 | | | | 639,058 |
| Capital Projects-Bridge and Grade Separation | | | 1,564,837 | | | | 1,564,837 |
| Public Arts | | | 34,185 | | | | 34,185 |
| Assigned to: | | | | | | | |
| Highways and Streets | 545 | | | | | 1,571,138 | 1,571,683 |
| Unassigned | 7,810,507 | | (695,029) | | | (62,260) | 7,053,218 |
| TOTAL FUND BALANCE | \$ 9,860,859 | \$ 1,986,894 | \$ 4,028,827 | \$ 805 | \$ 327,012 | \$ 4,201,282 | \$ 20,405,679 |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

K) Prepaids

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

L) Appropriation Limit

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangement. For the fiscal year ended June 30, 2016, proceeds of taxes did not exceed appropriations.

M) Cash and Cash Equivalents

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

N) Capital Contributions

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

O) Property Tax Calendar

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

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

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

P) Pensions

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

P) Pensions - Continued

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

| | |
|-------------------------|-------------------------------|
| Valuation Date (VD) | June 30, 2014 |
| Measurement Date (VD) | June 30, 2015 |
| Measurement Period (MP) | July 1, 2014 to June 30, 2015 |

During fiscal 2016, the City adopted GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statement No. 67, No. 68, and No. 73* - This Statement addresses certain issues that had been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City updated covered employee payroll information in the required supplementary information as part of the implementation of this accounting standard.

Q) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred employer pension contributions and other deferred outflows related to the City's pension plans in this category.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

2) CASH AND INVESTMENTS

Cash and investments are classified as follows:

Statement of Net Position:

Governmental Activities:

| | |
|---------------------------------|---------------|
| Cash and Investments | \$ 20,801,085 |
| Restricted Cash and Investments | 467,662 |

Statement of Net Position:

Business-type Activities:

Water Authority:

| | |
|---------------------------------|-----------|
| Cash and Investments | 3,400,197 |
| Restricted Cash and Investments | 5,593,893 |

Sanitary District:

| | |
|---------------------------------|-----------|
| Restricted Cash and Investments | 6,189,777 |
|---------------------------------|-----------|

Fiduciary Activities:

Statement of Fiduciary Assets:

| | |
|--|-----------|
| Cash and Investments | 4,897,960 |
| Cash and Investments with Fiscal Agent | 2,394,022 |

| | |
|----------------------------|----------------------|
| Total Cash and Investments | <u>\$ 43,744,596</u> |
|----------------------------|----------------------|

Cash and investments consist of the following:

| | |
|--------------------------------------|----------------------|
| Petty Cash | \$ 2,725 |
| Deposits with Financial Institutions | 18,292,338 |
| Investments | <u>25,449,533</u> |
| Total Cash and Investments | <u>\$ 43,744,596</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.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

2) CASH AND INVESTMENTS – Continued

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

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

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

Investments Authorized by Debt Agreements

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

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

CASH AND INVESTMENTS – Continued

| Investment Type | Total | Remaining Maturity (in Months) | | | |
|------------------------------|----------------------|--------------------------------|---------------------|----------------------|------------------------|
| | | 12 Months Or Less | 13 to 24 Months | 25 to 60 Months | More Than 60 Months |
| Federal Agency Securities | \$ 5,239,347 | \$ | \$ 85,689 | \$ 5,153,658 | \$ |
| Corporate Bonds | 2,363,714 | | 1,915,415 | 448,299 | |
| Municipal Bonds | 136,079 | | 136,079 | | |
| Certificates of Deposit | 4,087,719 | 2,242,345 | 1,845,374 | | |
| State Investment Pool - LAIF | 4,456,590 | 4,456,590 | | | |
| County Investment Pool | 155,852 | 155,852 | | | |
| U.S. Treasury Notes | 6,653,559 | | | 6,653,559 | |
| Money Market Funds | 137,569 | 137,569 | | | |
| Held By Bond Trustee | | | | | |
| Money Market Fund | 1,767,866 | 1,767,866 | | | |
| Private Debt Obligations | 451,238 | | | | 451,238 |
| Total | \$ 25,449,533 | \$ 8,760,222 | \$ 3,982,557 | \$ 12,255,516 | \$ 451,238 |

Disclosures Relating to Credit Risk

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

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

| Investment Type | | Minimum Legal Rating | Exempt from Disclosure | Rating as of Year End | | | | |
|---------------------------------|----------------------|----------------------------|------------------------------|-----------------------|-------------------|---------------------|-------------|---------------------|
| | | | | AAA | AA | A | BBB | Not Rated |
| Federal Agency Securities | \$ 5,239,347 | A | \$ | \$ 5,239,347 | \$ | \$ | \$ | \$ |
| Corporate Bonds | 2,363,714 | A | | | 879,331 | 1,484,383 | | |
| Municipal Bonds | 136,079 | N/A | 136,079 | | | | | |
| Certificates of Deposit | 4,087,719 | N/A | | | | | | 4,087,719 |
| State Investment Pool - LAIF | 4,456,590 | N/A | | | | | | 4,456,590 |
| County Investment Pool | 155,852 | N/A | | 155,852 | | | | |
| U.S. Treasury Notes | 6,653,559 | N/A | 6,653,559 | | | | | |
| Money Market Funds | 137,569 | A | | 137,569 | | | | |
| Held By Bond Trustee: | | | | | | | | |
| Money Market Fund | 1,767,866 | A | | 1,767,866 | | | | |
| Certificates of Deposit | 451,238 | N/A | | | | | | 451,238 |
| Total | \$ 25,449,533 | | \$ 6,789,638 | \$ 7,300,634 | \$ 879,331 | \$ 1,484,383 | \$ - | \$ 8,995,547 |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

CASH AND INVESTMENTS – Continued

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total City's investments for the year ended June 30, 2016.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2016, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2016, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

| <u>Investment Type</u> | <u>Reported Amount</u> |
|-------------------------|----------------------------|
| Money Market Fund | \$ 1,767,866 |
| Certificates of Deposit | \$ 451,238 |

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

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

Local Agency Investment fund (LAIF)

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

2) CASH AND INVESTMENTS – Continued

Custodial Credit Risk – Continued

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

The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2016, these investments have an average maturity of about 240 days and were not rated.

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

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

Cash with Fiscal Agent

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

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

The City assesses the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted market prices for identical instruments in an active market that the entity has the ability to access and are the most observable. Level 2 inputs include quoted market prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability. The Club's investments are considered Level 1 assets. These assets include federal agency securities of \$5,239,347, bonds of \$2,499,793 and certificates of deposit of \$4,087,719.

3) LOANS RECEIVABLE

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

\$ 4,852,667

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

3) LOANS RECEIVABLE - CONTINUED

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

| | |
|--|---------------------|
| | 2,416,805 |
| Total Loans Receivable | <u>\$ 7,269,472</u> |
| Total Loans Receivable - Governmental Funds | \$ 4,852,667 |
| Total Loans Receivable - Private Purpose Trust Funds | <u>2,416,805</u> |
| Total Loans Receivable | <u>\$ 7,269,472</u> |

4) CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Transfers/ Adjustments | Ending Balance |
|--|----------------------|---------------|-----------|---------------------------|-------------------|
| Governmental Activities: | | | | | |
| Capital Assets, Not Depreciated: | | | | | |
| Land | \$ 11,672,573 | \$ 2,749,558 | \$ - | \$ - | \$ 14,422,131 |
| Construction in Progress | 26,137,565 | 13,524,431 | - | (3,425,017) | 36,236,979 |
| Total Capital Assets, Not Depreciated | 37,810,138 | 16,273,989 | - | (3,425,017) | 50,659,110 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | 8,786,448 | | | | 8,786,448 |
| Machinery and Equipment | 7,233,414 | 178,992 | | | 7,412,406 |
| Furniture and Fixtures | 6,978 | | | | 6,978 |
| Infrastructure | 160,753,789 | | | 3,425,017 | 164,178,806 |
| Total Capital Assets Being Depreciated | 176,780,629 | 178,992 | - | 3,425,017 | 180,384,638 |
| Less Accumulated Depreciation: | | | | | |
| Buildings | (3,837,596) | (278,399) | | | (4,115,995) |
| Machinery and Equipment | (6,485,575) | (112,265) | | | (6,597,840) |
| Furniture and Fixtures | (6,978) | | | | (6,978) |
| Infrastructure | (52,412,382) | (3,756,553) | | | (56,168,935) |
| Total Accumulated Depreciation | (62,742,531) | (4,147,217) | - | - | (66,889,748) |
| Total Capital Assets Being Depreciated, Net | 114,038,098 | (3,968,225) | - | 3,425,017 | 113,494,890 |
| Governmental Activities Capital Assets, Net of Depreciation | \$ 151,848,236 | \$ 12,305,764 | \$ - | \$ - | \$ 164,154,000 |

Depreciation expense was charged to functions/programs as follows:

| | |
|--|--------------|
| Governmental Activities: | |
| General Government | \$ 340,718 |
| Fire | 49,947 |
| Public Works | 3,095,021 |
| Parks and Recreation | 661,531 |
| Total Depreciation Expense - Governmental Activities | \$ 4,147,217 |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

4) CAPITAL ASSETS – Continued

| | Beginning Balance | Increases | Decreases | Transfers/ Adjustments | Ending Balance |
|--|----------------------|----------------|-----------|---------------------------|-------------------|
| Business-type Activities: | | | | | |
| Capital Assets, Not Depreciated: | | | | | |
| Land | \$ 887,772 | \$ | \$ | \$ | \$ 887,772 |
| Construction in Progress | | 1,014,798 | | (486,462) | 528,336 |
| Total Capital Assets Not Depreciated | 887,772 | 1,014,798 | - | (486,462) | 1,416,108 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | 1,221,306 | | | | 1,221,306 |
| Machinery and Equipment | 12,552,045 | 82,727 | | | 12,634,772 |
| Infrastructure | 108,143,601 | | | 486,462 | 108,630,063 |
| Total Capital Assets Being Depreciated | 121,916,952 | 82,727 | - | 486,462 | 122,486,141 |
| Less Accumulated Depreciation: | | | | | |
| Buildings | (552,726) | (99,707) | | | (652,433) |
| Machinery and Equipment | (9,661,980) | (472,609) | | | (10,134,589) |
| Infrastructure | (41,684,621) | (2,130,647) | | | (43,815,268) |
| Total Accumulated Depreciation | (51,899,327) | (2,702,963) | - | - | (54,602,290) |
| Total Capital Assets Being Depreciated, Net | 70,017,625 | (2,620,236) | - | 486,462 | 67,883,851 |
| Business-type Activities Capital Assets, Net of Depreciation | \$ 70,905,397 | \$ (1,605,438) | \$ - | \$ - | \$ 69,299,959 |

Depreciation was charged to functions/programs as follows:

| | |
|---|--------------|
| Business-type Activities: | |
| Water | \$ 1,397,384 |
| Sanitary | 1,305,579 |
| Total Depreciation Expense - Business-type Activities | \$ 2,702,963 |

5) PENSION RELATED DEBT

General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police), Miscellaneous (all other), and Miscellaneous Second Tier Employee Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). There are no active employees in the Safety Plan. The City's contributions are currently funding the unfunded liability only. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

5) PENSION RELATED DEBT - Continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

| | Miscellaneous | |
|--------------------------------------|---------------------------|------------------------------|
| | Prior to July 1, 2002* | On or after July 1, 2002* |
| Hire date | July 1, 2002* | July 1, 2002* |
| Benefit formula | 2% @ 55 | 2% @ 55 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 | 50 |
| Required employee contribution rates | 7.761% | 7.8% |
| Required employer contribution rates | 11.718% | 11.718% |

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

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

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ended June 30, 2016 were \$790,280.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

5) PENSION RELATED DEBT - Continued

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

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

As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

| | <u>Proportionate Share of Net Pension Liability</u> |
|---------------|---|
| Miscellaneous | 7,092,438 |
| Safety | <u>3,603,297</u> |
| | <u>10,695,735</u> |

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2014, and 2015 was as follows:

| | <u>Miscellaneous</u> | <u>Miscellaneous Second Tier</u> | <u>Safety</u> |
|----------------------------|----------------------|--------------------------------------|---------------|
| Proportion - June 30, 2015 | 0.10795% | 0.00000% | 0.05132% |

For the year ended June 30, 2016, the City recognized pension expense of \$586,030. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Pension contributions subsequent to measurement date | \$ 790,280 | \$ - |
| Changes in assumptions | | (764,850) |
| Differences between expected and actual experiences | 14,182 | - |
| Net difference between projected and actual | | |
| Adjustments due to differences in proportion | - | (384,562) |
| Total | <u>\$ 804,462</u> | <u>\$ 1,149,412</u> |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

5) PENSION RELATED DEBT - Continued

\$1,135,230 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended | |
|------------|-----------------------|
| June 30 | |
| 2016 | \$ (558,371) |
| 2017 | (558,371) |
| 2018 | (504,752) |
| 2019 | <u>486,264</u> |
| | <u>\$ (1,135,230)</u> |

Actuarial Assumptions

For the measurement period ended June 30, 2015, the total pension liabilities were determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2014 |
| Measurement Date | June 30, 2015 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions | |
| Discount Rate | 7.65% |
| Inflation | 2.75% |
| Projected Salary Increases | Varies by Entry Age and Service |
| Payroll Growth | 3.00% |
| Investment Rate of Return | 7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation |
| Retirement Age | The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. |
| Mortality Rate Table (1) | Derived using CalPERS Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter |

- (1) The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

5) PENSION RELATED DEBT - Continued

Change in Assumption

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. The discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets.

Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

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

The next table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

5) PENSION RELATED DEBT - Continued

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

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11+(b) |
|-------------------------------|--------------------------|-----------------------------|--------------------------|
| Global Equity | 51.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0% | 0.99% | 2.43% |
| Inflation Sensitive | 6.0% | 0.45% | 3.36% |
| Private Equity | 10.0% | 6.83% | 6.95% |
| Real Estate | 10.0% | 4.50% | 5.13% |
| Infrastructure and Forestland | 2.0% | 4.50% | 5.09% |
| Liquidity | 2.0% | -0.55% | -1.05% |
| Total | 100% | | |

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

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

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

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

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

At June 30, 2016, the City reported no payable for outstanding amounts of contributions to the pension plan required for the year ended June 30, 2016.

Pension Plan Fiduciary Net Position

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

6) LONG-TERM LIABILITIES

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 |
|--|----------------------|----------------------|----------------------|----------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences (Note 6) | \$ 582,524 | \$ 84,357 | \$ 21,687 | \$ 645,195 | \$ 322,597 |
| Certificated of Participation 2008 Gas Tax COPS | 6,255,000 | | 165,000 | 6,090,000 | 170,000 |
| Claims Payable | 515,635 | 33,109 | 86,919 | 461,825 | |
| Net Pension Liability | 5,865,264 | 155,100 | | 6,020,364 | - |
| OPEB Obligation | 1,070,091 | | 51,395 | 1,018,696 | - |
| Total | \$ 14,288,514 | \$ 272,566 | \$ 325,001 | \$ 14,236,080 | \$ 492,597 |
| Business-type Activities: | | | | | |
| Compensated Absences (Note 6) | \$ 311,404 | \$ 64,512 | \$ 14,000 | \$ 361,916 | \$ 180,958 |
| Loan Payable | 18,409,820 | | 1,195,785 | 17,214,035 | 1,222,137 |
| Revenue Bonds | | | | | |
| 2005A Wastewater | 4,530,000 | | 4,530,000 | - | - |
| 2015A Wastewater | - | 4,260,000 | 135,000 | 4,125,000 | 150,000 |
| Bond Discounts | (67,745) | 67,745 | | - | |
| 2005B Wastewater | 4,461,107 | | 73,032 | 4,388,075 | 76,075 |
| Bond Premium | 614,943 | 232,598 | 42,643 | 804,898 | |
| 2008 Water (USDA) | 4,677,697 | | 62,236 | 4,615,461 | 64,959 |
| 2012 Water (USDA) | 9,635,000 | | 410,000 | 9,225,000 | 420,000 |
| Total Revenue Bonds | 23,851,002 | 4,560,343 | 5,252,911 | 23,158,434 | 711,034 |
| Net Pension Liability | 4,045,625 | 629,745 | | 4,675,370 | - |
| OPEB Obligation | 385,828 | 320,414 | 20,041 | 686,201 | - |
| Total | \$ 47,003,679 | \$ 5,575,014 | \$ 6,482,737 | \$ 46,095,956 | \$ 2,114,129 |
| Fiduciary Funds: | | | | | |
| 2004 Tax Allocation Bonds, Ser. B | \$ 1,685,000 | \$ - | \$ 1,685,000 | \$ - | \$ - |
| 2006 Tax Allocation Bonds, Ser. A | 18,435,000 | | 18,435,000 | - | - |
| 2006 Tax Allocation Bonds, Ser. B | 8,675,000 | | 8,675,000 | - | - |
| 2013 Tax Allocation Bonds | 4,895,000 | | 360,000 | 4,535,000 | 370,000 |
| 2014 Tax Allocation Bonds | 9,250,000 | | 275,000 | 8,975,000 | 210,000 |
| Bond Discount | - | | 73,631 | (73,631) | |
| Bond Premium | - | 2,035,575 | | 2,035,575 | |
| 2016 Tax Allocation Bonds, Ser. A | | 14,935,000 | | 14,935,000 | 535,000 |
| 2016 Tax Allocation Bonds, Ser. B | | 9,690,000 | | 9,690,000 | 355,000 |
| Total Revenue Bonds | \$ 42,940,000 | \$ 26,660,575 | \$ 29,503,631 | \$ 40,096,944 | \$ 1,470,000 |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

6) LONG-TERM LIABILITES – Continued

Loans Payable

Business-type Activities:

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

\$14,483,429

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

\$ 2,730,606

Total Loans

\$ 17,214,035

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 2017 | \$ 1,222,137 | 418,330 | \$ 1,640,467 |
| 2018 | 1,249,096 | 390,637 | 1,639,733 |
| 2019 | 1,281,675 | 362,336 | 1,644,011 |
| 2020 | 1,309,889 | 333,351 | 1,643,240 |
| 2021 | 1,338,751 | 303,669 | 1,642,420 |
| 2022-2026 | 7,170,468 | 1,049,204 | 8,219,672 |
| 2027-2031 | 1,806,413 | 330,098 | 2,136,511 |
| 2032-2036 | 375,000 | 204,975 | 579,975 |
| 2037-2041 | 420,000 | 158,958 | 578,958 |
| 2042-2046 | 475,000 | 107,006 | 582,006 |
| 2047-2051 | 530,000 | 48,759 | 578,759 |
| 2052 | 35,606 | 2,152 | 37,758 |
| Total | <u>\$ 17,214,035</u> | <u>\$ 3,709,475</u> | <u>\$ 20,923,510</u> |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

6) LONG-TERM LIABILITES – Continued

Revenue Bonds

Private Purpose Trust Funds – Fiduciary Funds

On September 1, 2014, the Successor Agency to the Coachella Redevelopment Agency issued \$9,250,000 of Subordinate Tax Allocation Bonds (Merged Project Areas), Series 2014 The Bonds are payable from pledged tax revenues allocated from the project areas noted above. Interest on the bonds is payable March 1 and September 1 of each year. Interest accrues at rates varying from 2.00% to 5.00% per annum. Principal on these bonds is payable in annual installments ranging from \$210,000 to \$720,000 from September 1, 2015 through September 1, 2030. \$ 8,975,000

On October 1, 2013, the Successor Agency to the Coachella Redevelopment Agency issued \$5,275,000 Tax Allocation Bonds (Merged Project Areas), Series 2013 to defease prior debt issuances. The Bonds are payable from pledged tax revenues allocated from the project areas noted above. Interest on the bonds is payable March 1 and September 1 of each year. Interest accrues at rates varying from 2.00% to 4.25% per annum. Principal on these bonds is payable in annual installments ranging from \$360,000 to \$385,000 from September 1, 2015 through September 1, 2028. \$ 4,535,000

On February 10, 2016, the Successor Agency to the Coachella Redevelopment Agency issued \$14,935,000 and \$9,690,000 of Subordinate Tax Allocation Bonds, Series 2016 A and 2016 B, respectively, to defease the first three issuances below dated December 8, 2004, and both Series dated May 9, 2006. The Bonds are payable from pledged tax revenues allocated from the project areas noted above. Interest on the bonds is payable March 1 and September 1 of each year. Interest accrues at rates varying from 1.375% to 5.00% per annum. Principal on these bonds is payable in annual installments ranging from \$260,000 to \$1,650,000 from September 1, 2016 through September 1, 2036. \$24,625,000

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 former Redevelopment Agency pursuant to a loan agreement between the two entities. The loan was made to Project Area 4. The proceeds from the loan to Project Area 4 were used to refund the outstanding amount of the Agency's Project Area 4 Tax Allocation Refunding Bonds of 1994 and to finance on-going redevelopment activities. Interest on the bonds is payable September 1 and March 1 of each year. Interest accrues at rates varying from 1.80% to 5.25% per annum. Principal is payable in annual installments ranging from \$145,000 to \$680,000 commencing September 1, 2005, through September 1, 2034. At June 30, 2016, the Authority has a cash reserve for debt service of \$159,670 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ -

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

6) LONG-TERM LIABILITIES – Continued

Revenue Bonds – Continued

Private Purpose Trust Funds – Fiduciary Funds:

On May 9, 2006, the Redevelopment Agency issued \$23,120,000 Tax Allocation Bonds, 2006 Series A for project Areas 1, 2, 3 and 4 (merged for this purpose) to finance on-going redevelopment activities. Interest on the bonds is payable September 1 and March 1 of each year. Interest accrues at rates varying from 3.45% to 5.25% per annum. Principal is payable in annual installments ranging from \$330,000 to \$1,805,000 commencing on September 1, 2006, through September 1, 2036. At June 30, 2016, the Agency has a cash reserve for debt service of \$1,823,513 which is sufficient to cover the Bond Indenture Reserve Requirement. \$ -

On May 9, 2006, the former Redevelopment Agency issued \$10,725,000 Taxable Tax Allocation Housing Set-Aside Bonds, 2006 Series A for project Areas 1, 2, 3 and 4 (merged for this purpose) Low and Moderate Income Housing to finance on-going redevelopment low and moderate income housing activities. Interest is payable September 1 and March 1 of each year. Interest accrues at rates varying from 5.30% to 6.25% per annum. Principal is payable in annual installments ranging from \$125,000 to \$735,000 commencing on September 1, 2006, through September 1, 2036. At June 30, 2016, the Agency has a cash reserve for debt service of \$1,691,624 which is sufficient to over the Bond Indenture Reserve Requirement. \$ -

Total Revenue Bonds – Fiduciary Funds \$38,135,000

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2017 | \$ 1,470,000 | \$ 1,048,307 | \$ 2,518,307 |
| 2018 | 1,535,000 | 1,046,613 | 2,581,613 |
| 2019 | 1,565,000 | 1,305,137 | 2,870,137 |
| 2020 | 1,765,000 | 1,274,012 | 3,039,012 |
| 2021 | 1,555,000 | 1,337,632 | 2,892,632 |
| 2022-2026 | 9,500,000 | 5,605,415 | 15,105,415 |
| 2027-2031 | 11,875,000 | 3,441,717 | 15,316,717 |
| 2032-2036 | 7,590,000 | 889,724 | 8,479,724 |
| 2037 | 1,280,000 | 20,875 | 1,300,875 |
| Total | <u>\$ 38,135,000</u> | <u>\$ 15,969,432</u> | <u>\$ 54,104,432</u> |

Pledged Future Revenues

The City pledged future tax revenues associated with its bond issuances for Series 2013, 2014, 2016A and 2016B. This comprises all of the debt issued in tax allocation debt in this note above. These debt issuances and pledged tax revenues are reported in the fiduciary funds. The pledged tax revenues are to be used solely for the repayment of principal and interest on the bonds until they are paid in full through 2037 and are not available for other purposes during the duration that the bonds are outstanding which are pledged for the respective bonds. The pledged tax revenues totaled \$3,791,564 for the year ended June 30, 2016. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2016 were approximately \$4,805,000 and \$1,623,791, respectively. The total principal and interest remaining is approximately \$54,104,000 with annual payments expected to require 100% of pledged tax revenues.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

6) LONG-TERM LIABILITES – Continued

Revenue Bonds – Continued – Business-Type Activities:

On October 15, 2015, the Coachella Sanitary District issued \$4,260,000 Wastewater Revenue Refunding Bonds, Series 2015A to defease he outstanding amount of the 2005A Water Revenue Bonds. Interest on the bonds is payable April 1 and October 1 of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$135,000 to \$295,000, commencing April 1, 2016 through April 1, 2035. 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, 2016, the Authority met the rate covenant as required by the bond indenture. \$ 4,125,000

On March 30, 2005, the Coachella Financing Authority issued \$5,725,000 Wastewater Revenue Refunding Bonds, Series 2005A for the Coachella Sanitary District, to advance refund the outstanding amount of the Coachella Sanitary District Wastewater Revenue Refunding Certificates of Participation Series 1995 and to finance on-going capital improvements to the Wastewater Enterprise. Interest is payable October 1 and April 1 of each year. Interest accrues at rates varying from 3.00% to 4.70% per annum. Principal is payable in annual installments ranging from \$105,000 to \$335,000 commencing April 1, 2006, through April 1, 2035. At June 30, 2016, the cash reserve for debt service is \$354,238 which is sufficient to cover the Bond Indenture Reserve Requirement. The District, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2016, the District met the rate covenant as required by the bond indenture. \$ -

On September 26, 2005, the Coachella Financing Authority issued \$5,000,000 Wastewater Revenue Refunding Bonds (USDA), Series 2005B for the Coachella Sanitary District, to finance on-going capital improvements to the Wastewater Enterprise. Interest is payable September 26 and March 26 of each year. Interest accrues at 4.125% per annum. Principal is payable in annual installments ranging from \$50,573 to \$248,591 commencing September 26, 2006, through September 26, 2045. \$ 4,388,075

On December 13, 2012, the Coachella Water Authority issued \$10,435,000 Water Revenue Bonds, Series 2012 to current refund the outstanding amount of the 2003 Water Revenue Bonds and to finance on-going capital improvements to the water system. Interest on the bonds is payable February 1 and August 1 of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$395,000 to \$3,350,000, commencing February 1, 2013 through August 1, 2033. Concurrently with the issuance of the bonds, a surety policy was purchased in lieu of maintaining a reserve balance. The Authority, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2016, the Authority met the rate covenant as required by the bond indenture. \$ 9,225,000

On July 16, 2008, the Coachella Water Authority issued \$5,000,000 Water Revenue Bonds (USDA), Series 2008 to finance on-going capital improvements to the Water Enterprise. Interest is payable January 1 and July 1 each year, and accrues at 4.375% per annum. Principal is payable in annual installments ranging from \$48,135 to \$255,746 commencing July 1, 2009, through July 1, 2048. \$ 4,615,461

Total Revenue Bonds – Business Activities \$22,353,536

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

6) LONG-TERM LIABILITES – Continued

Certificates of Participation

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2016 | \$ 711,034 | \$ 871,216 | \$ 1,582,250 |
| 2017 | 737,047 | 853,703 | 1,590,750 |
| 2018 | 748,315 | 835,584 | 1,583,899 |
| 2019 | 769,852 | 815,447 | 1,585,299 |
| 2020 | 791,666 | 795,681 | 1,587,347 |
| 2021-2025 | 4,466,180 | 3,462,095 | 7,928,275 |
| 2026-2030 | 5,440,860 | 2,493,184 | 7,934,044 |
| 2031-2035 | 4,008,466 | 1,347,804 | 5,356,270 |
| 2036-2040 | 1,809,192 | 845,691 | 2,654,883 |
| 2041-2045 | 2,135,490 | 436,686 | 2,572,176 |
| 2046-2049 | 735,434 | 48,183 | 783,617 |
| Total | \$ 22,353,536 | \$ 12,805,274 | \$ 35,158,810 |

Governmental Activities:

On April 15, 2008, the City of Coachella issued \$7,205,000 Gas Tax Certificate of Participation, Series 2008 A in a joint issue with the City of Indio who simultaneously issued \$7,450,000 for total issue of \$14,655,000 to finance the design, acquisition and construction of projects. Interest is payable June 1 and December 1 of each year. Interest accrues at rates carrying from 4.00% to 4.96% per annum. Principal is payable in annual installments ranging from \$90,000 to \$430,000 commencing June 1, 2009, through June 1, 2037. At June 30, 2016, the Agency has a cash reserve for debt service of \$451,238 which is sufficient to cover the Bond indenture Reserve Requirement.

Total Certificates of Participation – Governmental Activities

\$ 6,090,000

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2017 | \$ 170,000 | \$ 278,108 | \$ 448,108 |
| 2018 | 175,000 | 271,308 | 446,308 |
| 2019 | 185,000 | 264,308 | 449,308 |
| 2020 | 190,000 | 256,908 | 446,908 |
| 2021 | 200,000 | 249,308 | 449,308 |
| 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 |
| 2037-2038 | 840,000 | 60,333 | 900,333 |
| Total | \$ 6,090,000 | \$ 3,782,747 | \$ 9,872,747 |

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

7) COMPENSATED ABSENCES

For governmental fund and proprietary funds, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$645,195 and \$361,916, respectively at June 30, 2016. The City has estimated that for the governmental funds that \$322,597 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the obligation in the liabilities section of the Statement of Net Position in the government-wide financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenditures in the related governmental fund financials statements when used. Upon retirement or termination, the expenditures are recorded in the fund which incurred the original obligation. Compensated absences payable for proprietary funds are reported within the respective funds and the City has estimated that for proprietary funds that \$180,958 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the obligation in the liabilities section of the Statement of Net Position – Proprietary Funds.

8) INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Inter-fund receivables and payables are as follows:

| | | DUE FROM | | |
|-----------|------------------------------|---------------------|---|---------------------|
| | | General Fund | Capital Improvement Capital Project Fund | Total |
| DUE TO | General Fund | \$ | \$ 75,000 | \$ 75,000 |
| | State Gas Tax | 297,449 | 197,354 | 494,803 |
| | ECD Entitlement Program | 133,485 | 3,452,524 | 3,586,009 |
| | Development Impact Fund | 892,000 | | 892,000 |
| | Non-major Governmental Funds | 49,773 | 11,014 | 60,787 |
| Total | | <u>\$ 1,372,707</u> | <u>\$ 3,735,892</u> | <u>\$ 5,108,599</u> |

The Capital Improvement Project Fund has various Capital Projects in construction, funding is provided on a reimbursement inter-fund due to the General Fund from the Capital Improvement Projects Fund, in order to keep these projects in construction they are funded with resources from the General Fund, creating an inter-fund receivable and payable. Currently, there is one inter-fund receivable due to the General Fund from the Capital Improvements Projects Capital Project Fund totaling \$75,000. and two inter-fund receivables due to Capital Improvement Projects Capital Project Fund from the ECD Entitlement Program totaling \$3,452,524.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

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

Inter-fund transfers are as follows:

| | | TRANSFERS OUT | | | | | | | | | |
|---|------------------------------|---------------------|---------------------|----------------------|-----------------------------|-------------------|----------------------|------------------------------|-----------------------------|--------------------------|----------------------|
| | | GOVERNMENTAL FUNDS | | | | | ENTERPRISE FUNDS | | | | |
| | | General Fund | Dev. Impact Fund | ECD Ent. Fund | Indian Gaming Grants SB 621 | Gas Tax Fund | Capital Project Fund | Non-Major Governmental Funds | Coachella Sanitary District | Coachella Water District | Total |
| T R A N S F E R S | GOVERNMENTAL FUNDS: | | | | | | | | | | |
| | General Fund | \$ | | | | | | \$ 572,718 | \$ 629,020 | \$ 651,332 | \$ 1,853,070 |
| | ECD Ent. Fund | | | | | | | 21,392 | | | 21,392 |
| | Dev. Impact Fund | | | | | | 30,672 | | | | 30,672 |
| | Capital Improvement Project | 75,000 | 1,386,872 | 11,341,671 | 2,068,836 | 197,354 | | 228,174 | | | 15,297,907 |
| I N | Non-major Governmental Funds | 2,106,632 | | | | | | | | | 2,106,632 |
| | Total | \$ 2,181,632 | \$ 1,386,872 | \$ 11,341,671 | \$ 2,068,836 | \$ 197,354 | \$ 30,672 | \$ 822,284 | \$ 629,020 | \$ 651,332 | \$ 19,309,673 |

Transfers made from the General Fund to the major governmental funds of \$75,000 were to cover various expenditures in the Capital Project Fund. Transfers made from the General Fund to the non-major funds of \$2,106,632 in the Fire Protection District of \$1,672,779, and Debt Service Fund – Street Improvement Fund of \$433,853 were to cover various expenditures in those funds. Transfers made to the General Fund of \$1,853,070 from various governmental funds were to cover expenditures for police services and street maintenance.

9) POST EMPLOYMENT BENEFITS

Plan Description

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the Council. The City provides a retiree healthcare stipend for medical coverage up to a dollar cap. For 2016, the monthly dollar cap is \$452.90 for management and elected officials and \$189.00 for confidential mid-management, sanitary and miscellaneous employees.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

9) POST EMPLOYMENT BENEFITS – Continued

Annual OPEB Cost

For 2016, the City's annual OPEB cost (expense) is calculated based on the annual required contributions of the employer (ARC). The ARC amount was actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2016, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

| | |
|---|---------------------|
| Annual Required Contribution | \$ 283,203 |
| Interest on Net OPEB Obligation | 54,597 |
| Adjustment to Annual Required Contribution | <u>(32,873)</u> |
| Annual OPEB Cost (Expense) | 304,927 |
| Benefits Paid | <u>(55,949)</u> |
| Increase in Net OPEB Obligation | 248,978 |
| Net OPEB Obligation - Beginning of the Year | 1,455,919 |
| Net OPEB Obligation - End of the Year | <u>\$ 1,704,897</u> |

The City's net OPEB obligation as of the year ending June 30, 2016 was calculated to be \$1,704,897 by the actuary. The actuarial report is on file in the City's finance department.

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2016 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 |
| 6/30/16 | \$ 283,203 | 19.8% | \$ 1,704,897 |
| 6/30/15 | \$ 236,927 | 20.5% | \$ 1,455,919 |
| 6/30/14 | \$ 256,434 | 15.8% | \$ 1,248,997 |

Funding Status and Funding Progress

The funded status of the plan as of June 30, 2016, was as follows:

| | |
|---|--------------|
| Actuarial Accrued Liability (AAL) | \$ 2,446,479 |
| Actuarial Value of Plan Assets | \$ 0 |
| Unfunded Actuarial Accrued Liability (UALL) | \$ 2,446,479 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0% |
| Covered Payroll (Active Plan Members) | \$ 6,413,382 |
| UAAL as a Percentage of Covered Payroll | 38.15% |

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

9) POST EMPLOYMENT BENEFITS – Continued

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

Actuarial Methods and Assumptions

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

The following is a summary of the actuarial assumptions and method

| | |
|-------------------------------|--|
| Valuation Date | June 30, 2016 |
| Actuarial Cost Method | Entry Age Normal Cost Method |
| Normal Cost | Level Dollar Amount |
| Remaining Amortization Period | 25 Years for expected UAAL and 25 years for accumulated deficiency at valuation date |
| Asset Valuation Method | Not Applicable - Plan is unfunded |
| Actuarial Assumptions: | |
| General Inflation | 2.75% |
| Investment Rate of Return | 3.75% |
| Projected Salary Increase | Not Applicable |
| Healthcare Cost Trend Rate | 5.00% a year until benefits reach maximums of \$647 and \$270 for management and other employees respectively. |
| Amortization Method | Level Dollar Amount |

10) RISK MANAGEMENT

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

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

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

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

10) RISK MANAGEMENT – Continued

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At June 30, 2016, the amount of these liabilities was \$461,825. 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, 2016 | Year Ended June 30, 2015 |
|--|-----------------------------|-----------------------------|
| Claims payable, beginning of fiscal year | \$ 515,635 | \$ 583,043 |
| Current year claims and changes in estimates | 33,109 | 41,164 |
| Claims payments | (86,919) | (108,572) |
| Claims payable, end of fiscal year | <u>\$ 461,825</u> | <u>\$ 515,635</u> |

11) COMMITMENTS AND CONTINGENCIES

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

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

At June 30, 2016, in the opinion of the City’s management, there are no outstanding matters which could have a significant effect on the financial position of the City.

12) SUBSEQUENT EVENTS

The City has performed an evaluation of subsequent events through December 8, 2016, which is the date the financial statements were available to be issued. Subsequent to year end, the Coachella Finance Authority issued Lease Revenue Bonds for \$12,150,000 for the construction of a new Library on September 1, 2016. The City purchased an additional Building for \$1,200,000, secured with a Loan, the City Manager retired on December 7, 2016 and the General Fund Loaned \$892,000 to Development Impact Fund \$892,000 for the construction of the Library.

13) OTHER INFORMATION

Future Government Accounting Standards Board (GASB) Statements

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

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

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

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

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2016

13) OTHER INFORMATION - Continued

Future Government Accounting Standards Board (GASB) Statements

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

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

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

GASB Statement No. 78: - *Pensions Provided through Certain Multi-Employer Defined Benefit Pensions*. These provisions are effective for financial statements for periods beginning after December 15, 2015.

GASB Statement No. 79: - *Certain External Investment Pools and Pool Participants*. These provisions are effective for financial statements for periods beginning after December 15, 2015.

GASB Statement No. 80: - *Blending Requirement for Certain Component Units-an amendment of GASB Statements No. 14*. These provisions are effective for financial statements for periods beginning after June 15, 2016.

GASB Statement No. 81: - *Irrevocable Split-Interest Agreements*. These provisions are effective for financial statements for periods beginning after December 15, 2016.

GASB Statement No. 82: - *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. These provisions are effective for financial statements for periods beginning after June 15, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

City of Coachella
Required Supplementary Information
For The Fiscal Year Ended June 30, 2016

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

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

Schedule of the City's Proportionate Share of the Net Pension Liability

For the Years Ended

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|---|----------------------|----------------------|
| City's proportion of the net pension liability | 0.155826% | 0.159270% |
| City's proportionate share of the net pension liability | \$ 10,695,736 | \$ 9,910,888 |
| City's covered employee payroll | \$ 6,675,341 | \$ 4,566,061 |
| City's proportionate share of the net pension liability as a percentage of its covered employee payroll | 160.23% | 217.06% |
| City's proportion share of the fiduciary net position as a percentage of the City's total pension liability | 78.82% | 79.27% |

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

Notes to Schedule:

Benefit Changes. None.

Changes in assumptions None.

City of Coachella
Required Supplementary Information
For The Fiscal Year Ended June 30, 2016

Schedule of the City's Contributions

For the Years Ended

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|--|----------------------|----------------------|
| Contractually required employer contribution (actuarilly determined) | \$ 790,280 | \$ 950,317 |
| Contributions in relation to the actuarilly determined contributions | <u>(790,280)</u> | <u>(950,317)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 6,675,341 | \$ 4,566,061 |
| Employer contributions as a percentage of covered employee payroll | 11.84% | 20.81% |

Notes to Schedule

Change in benefit terms: None.

Change in assumptions: None.

Schedule of Funding Progress for CRHP

| 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 (C) | UUAL as a Percentage of Covered Payroll [(B-A)/C] |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 06/30/14 | \$ - | 2,216,981 | 2,216,981 | 0% | \$ 5,113,231 | 43.4% |
| 06/30/15 | \$ - | 2,191,979 | 2,191,979 | 0% | \$ 5,063,737 | 43.3% |
| 06/30/16 | \$ - | 2,446,979 | 2,446,979 | 0% | \$ 6,413,382 | 38.2% |

City of Coachella
Required Supplementary Information
For The Fiscal Year Ended June 30, 2016

BUDGETARY INFORMATION:

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

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

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

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

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 15,349,266 | \$ 15,349,266 | \$ 16,483,448 | \$ 1,134,182 |
| Licenses, Permits and Fees | 655,000 | 655,000 | 798,212 | 143,212 |
| Charges for Services | 268,000 | 268,000 | 411,845 | 143,845 |
| Fines, Forfeitures and Penalties | 111,000 | 111,000 | 502,295 | 391,295 |
| Intergovernmental Revenue | 273,610 | 273,610 | 396,551 | 122,941 |
| Special Assessments | 850,000 | 850,000 | 843,068 | (6,932) |
| Investment Income | 4,000 | 4,000 | 90,840 | 86,840 |
| Other Revenue | 346,225 | 346,225 | 638,919 | 292,694 |
| | <u>17,857,101</u> | <u>17,857,101</u> | <u>20,165,178</u> | <u>2,308,077</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 3,921,787 | 3,921,787 | 4,343,113 | (421,326) |
| Community Development | 507,132 | 507,132 | 493,235 | 13,897 |
| Building Department | 159,617 | 159,617 | 216,277 | (56,660) |
| Engineering Department | 393,137 | 393,137 | 362,340 | 30,797 |
| Public Safety - Police | 7,538,759 | 7,538,759 | 7,738,136 | (199,377) |
| Public Safety - Animal Control | 381,074 | 381,074 | 292,133 | 88,941 |
| Public Works | 1,801,387 | 1,801,387 | 1,627,221 | 174,166 |
| Parks and Recreation | 2,026,902 | 2,026,902 | 2,028,230 | (1,328) |
| Capital Outlay | - | - | 23,310 | (23,310) |
| | <u>16,729,795</u> | <u>16,729,795</u> | <u>17,123,995</u> | <u>(394,200)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>1,127,306</u> | <u>1,127,306</u> | <u>3,041,183</u> | <u>2,702,277</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 3,911,255 | 3,911,255 | 1,853,070 | (2,058,185) |
| Transfers Out | (3,437,209) | (3,437,209) | (2,181,632) | 1,255,577 |
| | <u>474,046</u> | <u>474,046</u> | <u>(328,562)</u> | <u>(802,608)</u> |
| Net Change in Fund Balances | <u>\$ 1,601,352</u> | <u>\$ 1,601,352</u> | 2,712,621 | <u>\$ 1,899,669</u> |
| Fund Balance, Beginning of Year | | | <u>7,148,238</u> | |
| Fund Balance, End of Year | | | <u>9,860,859</u> | |

The accompanying notes are an integral part of this statement.

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - State Gas Tax Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ 945,000 | \$ 945,000 | \$ 952,886 | \$ 7,886 |
| Investment Income | | - | - | 0 |
| Total Revenues | <u>945,000</u> | <u>945,000</u> | <u>952,886</u> | <u>7,886</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 927,000 | 927,000 | 933,946 | (6,946) |
| Total Expenditures | <u>927,000</u> | <u>927,000</u> | <u>933,946</u> | <u>(6,946)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>18,000</u> | <u>18,000</u> | <u>18,940</u> | <u>940</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | (197,354) | (197,354) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(197,354)</u> | <u>(197,354)</u> |
| Net Change in Fund Balances | <u>\$ 18,000</u> | <u>\$ 18,000</u> | (178,414) | <u>\$ (196,414)</u> |
| Fund Balances, Beginning of Year | | | <u>2,165,308</u> | |
| Fund Balance, End of Year | | | <u>\$ 1,986,894</u> | |

The accompanying notes are an integral part of this statement.

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Indian Gaming Grants SB 621 Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ 3,462,602 | \$ 3,462,602 | \$ 2,068,836 | \$ (1,393,766) |
| Investment Income | - | - | - | - |
| Total Revenues | <u>3,462,602</u> | <u>3,462,602</u> | <u>2,068,836</u> | <u>(1,393,766)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>3,462,602</u> | <u>3,462,602</u> | <u>2,068,836</u> | <u>(1,393,766)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(3,462,602)</u> | <u>(3,462,602)</u> | <u>(2,068,836)</u> | <u>1,393,766</u> |
| Total Other Financing Sources (Uses) | <u>(3,462,602)</u> | <u>(3,462,602)</u> | <u>(2,068,836)</u> | <u>1,393,766</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund Balance, Beginning of Year | | | <u>-</u> | |
| Fund Balance, End of Year | | | <u>\$ -</u> | |

The accompanying notes are an integral part of this statement.

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Development Impact Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Developer Fees | \$ 1,568,500 | \$ 1,568,500 | \$ 993,438 | \$ (575,062) |
| Investment Income | 17,800 | 17,800 | 64,217 | 46,417 |
| Total Revenues | <u>1,586,300</u> | <u>1,586,300</u> | <u>1,057,655</u> | <u>(528,645)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | - | - | 10,194 | (10,194) |
| Capital Outlays | - | - | 87,574 | (87,574) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>97,768</u> | <u>(97,768)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>1,586,300</u> | <u>1,586,300</u> | <u>959,887</u> | <u>(626,413)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 30,672 | (30,672) |
| Transfers Out | (1,912,289) | (1,912,289) | (1,386,872) | 525,417 |
| Total Other Financing Sources (Uses) | <u>(1,912,289)</u> | <u>(1,912,289)</u> | <u>(1,356,200)</u> | <u>525,417</u> |
| Net Change in Fund Balances | <u>\$ (325,989)</u> | <u>\$ (325,989)</u> | <u>(396,313)</u> | <u>\$ (100,996)</u> |
| Fund Balance, Beginning of Year | | | <u>4,425,140</u> | |
| Fund Balance, End of Year | | | <u>\$ 4,028,827</u> | |

The accompanying notes are an integral part of this statement.

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - ECD Entitlement Program Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ 32,433,402 | \$ 32,433,402 | \$ 11,487,695 | \$(20,945,707) |
| Total Revenues | <u>32,433,402</u> | <u>32,433,402</u> | <u>11,487,695</u> | <u>(20,945,707)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | - | - | 11,204 | (11,204) |
| Capital Outlay | | | <u>155,682</u> | <u>(155,682)</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>166,886</u> | <u>(166,886)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>32,433,402</u> | <u>32,433,402</u> | <u>11,320,809</u> | <u>(21,112,593)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(32,433,402)</u> | <u>(32,433,402)</u> | <u>(11,341,671)</u> | <u>21,091,731</u> |
| Total Other Financing Sources (Uses) | <u>(32,433,402)</u> | <u>(32,433,402)</u> | <u>(11,320,279)</u> | <u>21,113,123</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | 530 | <u>\$ 530</u> |
| Fund Balance, Beginning of Year | | | <u>275</u> | |
| Fund Balance, End of Year | | | <u>\$ 805</u> | |

The accompanying notes are an integral part of this statement.

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - HOME Program Income Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ - | \$ - | \$ 91,306 | \$ 91,306 |
| Investment Income | | | 3,567 | 3,567 |
| Total Revenues | - | - | 94,873 | 94,873 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | - | | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 94,873 | 94,873 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | - | - | | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | \$ - | \$ - | 94,873 | \$ 94,873 |
| Fund Balance, Beginning of Year | | | 232,139 | |
| Fund Balance, End of Year | | | \$ 327,012 | |

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

City of Coachella
Non-major Governmental Funds

Special Revenue Funds:

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

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

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

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

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

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

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

Debt Service Fund:

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

City of Coachella
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2016

| | Special Revenue | | | |
|---|---------------------------|-----------------------|-------------------------------------|--------------------------------|
| | Air Quality Improvemnt | Local Transportion | Landscape & Lighting District | Fire Protection District |
| Assets and Deferred Outflows Of Resources | | | | |
| Assets: | | | | |
| Cash and Investments | \$ - | \$ 1,541,156 | \$ 1,777,938 | \$ 604,324 |
| Receivables: | | | | |
| Loans Receivable | | | | |
| Due from Other Funds | | | | |
| Due from Other Governments | | 94,961 | 15,881 | 38,600 |
| Restricted Assets: | | | | |
| Cash with Fiscal Agent | | | | |
| | | | | |
| Total Assets | <u>\$ -</u> | <u>\$ 1,636,117</u> | <u>\$ 1,793,819</u> | <u>\$ 642,924</u> |
| Deferred Outflows of Resources | - | - | - | - |
| Liabilities, Deferred Inflows of Resources, And Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts Payable & Accrued Liabilities | \$ 3,471 | \$ 16,164 | \$ 222,681 | \$ 621,189 |
| Due to Other Funds | 49,773 | | | |
| Due to Other Governments | 9,016 | 547 | | |
| Unearned Revenue | | | | |
| Total Liabilities | <u>62,260</u> | <u>16,711</u> | <u>222,681</u> | <u>621,189</u> |
| Deferred Inflows of Resources | - | - | - | - |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Low Income Housing | | | | |
| Highways and Streets | | 1,619,406 | | |
| Other Purposes | | | | |
| Debt Service | | | | |
| Assigned - Highways and Streets | | | 1,571,138 | |
| Unassigned | (62,260) | | | |
| Total Fund Balances | <u>(62,260)</u> | <u>1,619,406</u> | <u>1,571,138</u> | <u>21,735</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ -</u> | <u>\$ 1,636,117</u> | <u>\$ 1,793,819</u> | <u>\$ 642,924</u> |

City of Coachella
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2016

| | Special Revenue | | | Debt Service | Total Non-Major Governmental Funds |
|---|-------------------------------|---------------------------|---------------------------------|-------------------------------|---|
| | CAL HOME Program Income | CDBG Program Income | Home Admin Program Income | Street Improvement Fund | |
| Assets and Deferred Outflows Of Resources | | | | | |
| Assets: | | | | | |
| Cash and Investments | \$ 189,414 | \$ 184,860 | \$ 208,489 | \$ 838 | \$ 4,507,019 |
| Receivables: | | | | | |
| Loans Receivable | 488,805 | 503,772 | | | 992,577 |
| Due from Other Funds | | | | | - |
| Due from Other Governments | | 11,014 | | | 160,456 |
| Restricted Assets: | | | | | |
| Cash with Fiscal Agent | | | | 467,662 | 467,662 |
| Total Assets | \$ 678,219 | \$ 699,646 | \$ 208,489 | \$ 468,500 | \$ 6,127,714 |
| Deferred Outflows of Resources | - | - | - | - | - |
| Liabilities, Deferred Inflows of Resources, And Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable & Accrued Liabilities | \$ - | \$ - | \$ - | \$ - | \$ 863,505 |
| Due to Other Funds | | 11,014 | | | 60,787 |
| Due to Other Governments | | | | | 9,563 |
| Unearned Revenue | 488,805 | 503,772 | | | 992,577 |
| Total Liabilities | 488,805 | 514,786 | - | - | 1,926,432 |
| Deferred Inflows of Resources | - | - | - | - | - |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Low Income Housing | 189,414 | | | | 189,414 |
| Highways and Streets | | | | | 1,619,406 |
| Other Purposes | | 184,860 | 208,489 | | 393,349 |
| Debt Service | | | | 468,500 | 468,500 |
| Assigned - Highways and Streets | | | | | 1,571,138 |
| Unassigned | | | | | (62,260) |
| Total Fund Balances | 189,414 | 184,860 | 208,489 | 468,500 | 4,201,282 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 678,219 | \$ 699,646 | \$ 208,489 | \$ 468,500 | \$ 6,127,714 |

City of Coachella
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For The Fiscal Year Ended June 30, 2016

| | Special Revenue | | | |
|--|----------------------------|-------------------------|-------------------------------------|--------------------------------|
| | Air Quality Improvement | Local Transportation | Landscape & Lighting District | Fire Protection District |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 681,290 |
| Charges for Services | | | | 39,135 |
| Intergovernmental | 40,594 | 591,912 | | |
| Special Assessments | | | 1,868,706 | 516,719 |
| Investment Income | (171) | 17,543 | 29,290 | 7,939 |
| Other Revenue | | | | 11,184 |
| Total Revenues | <u>40,423</u> | <u>609,455</u> | <u>1,897,996</u> | <u>1,256,267</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | | |
| Fire | | | | 2,803,231 |
| Public Works | 79,496 | 35,592 | 2,437,501 | |
| Capital Outlays | | | | |
| Debt Service: | | | | |
| Principal Retirement | | | | |
| Interest and Fiscal Charges | | | | |
| Total Expenditures | <u>79,496</u> | <u>35,592</u> | <u>2,437,501</u> | <u>2,803,231</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(39,073)</u> | <u>573,863</u> | <u>(539,505)</u> | <u>(1,546,964)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | | 1,672,779 |
| Transfers Out | (21,392) | (90,298) | (367,628) | (104,080) |
| Total Other Financing Sources (Uses) | <u>(21,392)</u> | <u>(90,298)</u> | <u>(367,628)</u> | <u>1,568,699</u> |
| Net Change in Fund Balances | <u>(60,465)</u> | <u>483,565</u> | <u>(907,133)</u> | <u>21,735</u> |
| Fund Balances, Beginning of Year | <u>(1,795)</u> | <u>1,135,841</u> | <u>2,478,271</u> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ (62,260)</u> | <u>\$ 1,619,406</u> | <u>\$ 1,571,138</u> | <u>\$ 21,735</u> |

City of Coachella
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
For the Fiscal Year Ended June 30, 2016

| | Special Revenue | | | Debt Service | Total Non-Major Governmental Funds |
|--|-------------------------------|---------------------------|---------------------------------|-------------------------------|---|
| | CAL HOME Program Income | CDBG Program Income | Home Admin Program Income | Street Improvement Fund | |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 681,290 |
| Charges for Services | | | | | 39,135 |
| Intergovernmental | 11,200 | 275,670 | 7,316 | | 926,692 |
| Special Assessments | | | | | 2,385,425 |
| Investment Income | 2,264 | 1,830 | 2,562 | 20,757 | 82,014 |
| Other Revenue | | | | | 11,184 |
| Total Revenues | <u>13,464</u> | <u>277,500</u> | <u>9,878</u> | <u>20,757</u> | <u>4,125,740</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | | | | 4,901 | 4,901 |
| Fire | | | | | 2,803,231 |
| Public Works | | | | | 2,552,589 |
| Capital Outlay | | | | | 0 |
| Debt Service: | | | | | |
| Principal Retirement | | | | 165,000 | 165,000 |
| Interest and Fiscal Charges | | | | 284,709 | 284,709 |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>454,610</u> | <u>5,810,430</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>13,464</u> | <u>277,500</u> | <u>9,878</u> | <u>(433,853)</u> | <u>(1,684,690)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | | | | 433,853 | 2,106,632 |
| Transfers Out | | (238,886) | | | (822,284) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(238,886)</u> | <u>-</u> | <u>433,853</u> | <u>1,284,348</u> |
| Net Change in Fund Balances | <u>13,464</u> | <u>38,614</u> | <u>9,878</u> | <u>-</u> | <u>(400,342)</u> |
| Fund Balances, Beginning of Year | <u>175,950</u> | <u>146,246</u> | <u>198,611</u> | <u>468,500</u> | <u>4,601,624</u> |
| Fund Balances, End of Year | <u>\$ 189,414</u> | <u>\$ 184,860</u> | <u>\$ 208,489</u> | <u>\$ 468,500</u> | <u>\$ 4,201,282</u> |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Air Quality Improvement Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ 54,000 | \$ 54,000 | \$ 40,594 | \$ (13,406) |
| Investment Income | 100 | 100 | (171) | (271) |
| Total Revenues | <u>54,100</u> | <u>54,100</u> | <u>40,423</u> | <u>(13,677)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 30,000 | 30,000 | 79,496 | (49,496) |
| Capital Outlay | | | | - |
| Total Expenditures | <u>30,000</u> | <u>30,000</u> | <u>79,496</u> | <u>(49,496)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>24,100</u> | <u>24,100</u> | <u>(39,073)</u> | <u>(63,173)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | (21,392) | 21,392 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(21,392)</u> | <u>21,392</u> |
| Net Change in Fund Balances | <u>\$ 24,100</u> | <u>\$ 24,100</u> | <u>(60,465)</u> | <u>\$ (41,781)</u> |
| Fund Balance, Beginning of Year | | | (1,795) | |
| Fund Balance, End of Year | | | <u>\$ (62,260)</u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-----------------------------|-----------------------------|----------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental Revenues | \$ 627,000 | \$ 627,000 | \$ 591,912 | (35,088) |
| Investment Income | 200 | 200 | 17,543 | 17,343 |
| Total Revenues | <u>627,200</u> | <u>627,200</u> | <u>609,455</u> | <u>(17,745)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | <u>32,500</u> | <u>32,500</u> | <u>35,592</u> | <u>(3,092)</u> |
| Total Expenditures | <u>32,500</u> | <u>32,500</u> | <u>35,592</u> | <u>(3,092)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>594,700</u> | <u>594,700</u> | <u>573,863</u> | <u>(20,837)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(2,327,000)</u> | <u>(2,327,000)</u> | <u>(90,298)</u> | <u>2,236,702</u> |
| Total Other Financing Sources (Uses) | <u>(2,327,000)</u> | <u>(2,327,000)</u> | <u>(90,298)</u> | <u>2,236,702</u> |
| Net Change in Fund Balances | <u><u>\$(1,732,300)</u></u> | <u><u>\$(1,732,300)</u></u> | 483,565 | <u><u>\$ 2,215,865</u></u> |
| Fund Balance, Beginning of Year | | | <u>1,135,841</u> | |
| Fund Balance, End of Year | | | <u><u>\$ 1,619,406</u></u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Landscape and Lighting District Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Special Assessments | \$ 1,911,111 | \$ 1,911,111 | \$ 1,868,706 | \$ (42,405) |
| Investment Income | | - | 29,290 | 29,290 |
| Total Revenues | <u>1,911,111</u> | <u>1,911,111</u> | <u>1,897,996</u> | <u>(13,115)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 4,666,525 | 4,666,525 | 2,437,501 | 2,229,024 |
| Total Expenditures | <u>4,666,525</u> | <u>4,666,525</u> | <u>2,437,501</u> | <u>2,229,024</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(2,755,414)</u> | <u>(2,755,414)</u> | <u>(539,505)</u> | <u>2,215,909</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | <u>(367,625)</u> | <u>(367,625)</u> | <u>(367,628)</u> | <u>(3)</u> |
| Total Other Financing Sources (Uses) | <u>(367,625)</u> | <u>(367,625)</u> | <u>(367,628)</u> | <u>(3)</u> |
| Net Change in Fund Balances | <u>\$ (3,123,039)</u> | <u>\$ (3,123,039)</u> | <u>(907,133)</u> | <u>\$ 2,215,906</u> |
| Fund Balance, Beginning of Year | | | <u>2,478,271</u> | |
| Fund Balance, End of Year | | | <u>\$ 1,571,138</u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Fire Protection District Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 350,000 | \$ 350,000 | \$ 681,290 | \$ 331,290 |
| Charges for Services | 46,000 | 46,000 | 39,135 | (6,865) |
| Special Assessments | 520,000 | 520,000 | 516,719 | (3,281) |
| Investment Income | 1,000 | 1,000 | 7,939 | 6,939 |
| | <u>917,000</u> | <u>917,000</u> | <u>1,256,267</u> | <u>339,267</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | 2,969,200 | 2,969,200 | 2,803,231 | 165,969 |
| Capital Outlay | | - | - | - |
| | <u>2,969,200</u> | <u>2,969,200</u> | <u>2,803,231</u> | <u>165,969</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(2,052,200)</u> | <u>(2,052,200)</u> | <u>(1,546,964)</u> | <u>505,236</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 2,052,200 | 2,052,200 | 1,672,779 | (379,421) |
| Transfers Out | | - | (104,080) | (104,080) |
| | <u>2,052,200</u> | <u>2,052,200</u> | <u>1,568,699</u> | <u>(483,501)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | 21,735 | <u>\$ 21,735</u> |
| Fund Balance, Beginning of Year | | | - | |
| Fund Balance, End of Year | | | <u>\$ 21,735</u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CAL HOME Program Income Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ - | \$ - | \$ 11,200 | \$ 11,200 |
| Investment Income | - | - | 2,264 | 2,264 |
| Total Revenues | - | - | 13,464 | 13,464 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 13,464 | 13,464 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | \$ - | \$ - | 13,464 | \$ 13,464 |
| Fund Balance, Beginning of Year | | | 175,950 | |
| Fund Balance, End of Year | | | \$ 189,414 | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Program Income Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ 147,142 | \$ 147,142 | \$ 275,670 | 128,528 |
| Investment Income | - | - | 1,830 | 1,830 |
| Total Revenues | <u>147,142</u> | <u>147,142</u> | <u>277,500</u> | <u>130,358</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>147,142</u> | <u>147,142</u> | <u>277,500</u> | <u>130,358</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | (147,142) | (147,142) | (238,886) | (91,744) |
| Total Other Financing Sources (Uses) | <u>(147,142)</u> | <u>(147,142)</u> | <u>(238,886)</u> | <u>(91,744)</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | 38,614 | <u>\$ 38,614</u> |
| Fund Balance, Beginning of Year | | | <u>146,246</u> | |
| Fund Balance, End of Year | | | <u>\$ 184,860</u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Home Admin Program Income Special Revenue Fund
For The Fiscal Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental Revenue | \$ - | \$ - | \$ 7,316 | \$ 7,316 |
| Investment Income | | | 2,562 | 2,562 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>9,878</u> | <u>9,878</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>-</u> | <u>-</u> | <u>9,878</u> | <u>9,878</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | | | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>9,878</u> | <u>\$ 9,878</u> |
| Fund Balance, Beginning of Year | | | <u>198,611</u> | |
| Fund Balances, End of Year | | | <u>\$ 208,489</u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Street Improvement Fund Debt Service Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Investment Income | \$ 20,000 | \$ 20,000 | \$ 20,757 | \$ 757 |
| Total Revenues | <u>20,000</u> | <u>20,000</u> | <u>20,757</u> | <u>757</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | <u>1,500</u> | <u>1,500</u> | <u>4,901</u> | <u>(3,401)</u> |
| Debt Service: | | | | |
| Principal Retirement | 165,000 | 165,000 | 165,000 | - |
| Interest and Fiscal Charges | 291,109 | 291,109 | 284,709 | 6,400 |
| Total Expenditures | <u>457,609</u> | <u>457,609</u> | <u>454,610</u> | <u>2,999</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(437,609)</u> | <u>(437,609)</u> | <u>(433,853)</u> | <u>3,756</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | <u>432,609</u> | <u>432,609</u> | <u>433,853</u> | <u>1,244</u> |
| Total Other Financing Sources (Uses) | <u>432,609</u> | <u>432,609</u> | <u>433,853</u> | <u>1,244</u> |
| Net Change in Fund Balances | <u>\$ (5,000)</u> | <u>\$ (5,000)</u> | - | <u>\$ 5,000</u> |
| Fund Balance, Beginning of Year | | | <u>468,500</u> | |
| Fund Balance, End of Year | | | <u>\$ 468,500</u> | |

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Improvement Projects Capital Project Fund
For The Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Other Revenue | \$ | - | \$ 945,890 | \$ 945,890 |
| Total Revenues | - | - | 945,890 | 945,890 |
| EXPENDITURES | | | | |
| Capital Outlay | 42,566,778 | 42,566,778 | 16,186,415 | 26,380,363 |
| Total Expenditures | 42,566,778 | 42,566,778 | 16,213,125 | 26,353,653 |
| Excess (Deficiency) of Revenues over Expenditures | (42,566,778) | (42,566,778) | (15,267,235) | 27,299,543 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 42,566,778 | 42,566,778 | 15,297,907 | (27,268,871) |
| Transfers Out | - | - | (30,672) | (30,672) |
| Total Other Financing Sources (Uses) | 42,566,778 | 42,566,778 | 15,267,235 | (27,299,543) |
| Net Change in Fund Balances | \$ - | \$ - | - | \$ - |
| Fund Balance, Beginning of Year | | | - | |
| Fund Balance, End of Year | | | \$ - | |

AGENCY FUNDS

City of Coachella Agency Funds

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

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

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

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

City of Coachella
Statement of Changes in Fiduciary Assets and Liabilities
General Deposits Fund
For The Fiscal Year Ended June 30, 2016

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|----------------------|------------------------------|-------------------|-------------------|---------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 646,079 | \$ 395,191 | \$ 455,519 | \$ 585,751 |
| Other Receivables | 0 | 8,175 | | 8,175 |
| Total Assets | <u>\$ 646,079</u> | <u>\$ 403,366</u> | <u>\$ 455,519</u> | <u>\$ 593,926</u> |
| LIABILITIES | | | | |
| Deposits Payable | <u>\$ 646,079</u> | <u>\$ 530,163</u> | <u>\$ 582,316</u> | <u>\$ 593,926</u> |
| Total Liabilities | <u>\$ 646,079</u> | <u>\$ 530,163</u> | <u>\$ 582,316</u> | <u>\$ 593,926</u> |

City of Coachella
Statement of Changes in Fiduciary Assets and Liabilities
Flood Control Capital Facilities Fund
For the Fiscal Year Ended June 30, 2016

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|----------------------|------------------------------|------------------|------------------|---------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 2,150,688 | \$ 32,930 | \$ 5,595 | \$ 2,178,023 |
| Total Assets | <u>\$ 2,150,688</u> | <u>\$ 32,930</u> | <u>\$ 5,595</u> | <u>\$ 2,178,023</u> |
| LIABILITIES | | | | |
| Pass-through Payable | \$ 2,150,688 | \$ 32,930 | \$ 5,595 | \$ 2,178,023 |
| Total Liabilities | <u>\$ 2,150,688</u> | <u>\$ 32,930</u> | <u>\$ 5,595</u> | <u>\$ 2,178,023</u> |

City of Coachella
Statement of Changes in Fiduciary Assets and Liabilities
Employee Flex Plan Deposits Fund
For the Fiscal Year Ended June 30, 2016

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

City of Coachella
Statement of Changes in Fiduciary Assets and Liabilities
Refuse Fund
For the Fiscal Year Ended June 30, 2016

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 2,171 | \$ 1,788,223 | \$ 1,790,394 | \$ - |
| Accounts Receivable | 36,395 | 40,644 | 39,316 | 37,723 |
| Total Assets | <u>\$ 38,566</u> | <u>\$ 1,828,867</u> | <u>\$ 1,829,710</u> | <u>\$ 37,723</u> |
| LIABILITIES | | | | |
| Deposit Payable | \$ 3,242 | \$ 3,168 | \$ 3,242 | \$ 3,168 |
| Due to Refuse Service Provider | 35,324 | 1,671,944 | 1,672,713 | 34,555 |
| Total Liabilities | <u>\$ 38,566</u> | <u>\$ 1,675,112</u> | <u>\$ 1,675,955</u> | <u>\$ 37,723</u> |

STATISTICAL SECTION

STATISTICAL SECTION

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

| Contents | Pages |
|--|---------|
| Financial Trends | 104-113 |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| Revenue Capacity | 114-127 |
| These schedules contain trend information to help the reader assess the City's most significant local revenue sources. | |
| Debt Capacity | 128-137 |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| Economic and Demographic Information | 138-142 |
| These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the City's financial activities take place. | |
| Operating Information | 143-146 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |

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

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

| | Fiscal Years | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2007 | 2008 | 2009 | 2010 |
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 69,625,226 | \$ 85,714,202 | \$ 95,466,787 | \$ 102,162,696 |
| Restricted | 4,782,696 | 5,662,608 | 17,108,772 | 19,069,214 |
| Unrestricted | 8,905,534 | 3,652,252 | (15,594,569) | (18,766,599) |
| Total governmental net assets | \$ 83,313,456 | \$ 95,029,062 | \$ 96,980,990 | \$ 102,465,311 |
| Business-type activities: | | | | |
| Net investment in capital assets | \$ 36,259,222 | \$ 35,198,133 | \$ 36,511,480 | \$ 30,565,733 |
| Restricted | 9,855,031 | 6,928,511 | 9,571,551 | 9,383,173 |
| Unrestricted | 3,027,035 | 3,336,606 | (3,415,652) | 1,782,324 |
| Total business-type net assets | \$ 49,141,288 | \$ 45,463,250 | \$ 42,667,379 | \$ 41,731,230 |
| Primary government: | | | | |
| Net investment in capital assets | \$ 105,884,448 | \$ 120,912,335 | \$ 131,978,267 | \$ 132,728,429 |
| Restricted | 14,637,727 | 12,591,119 | 26,680,323 | 28,452,387 |
| Unrestricted | 11,932,569 | 6,988,858 | (19,010,221) | (16,984,275) |
| Total primary gov't net position | \$ 132,454,744 | \$ 140,492,312 | \$ 139,648,369 | \$ 144,196,541 |

Source: City of Coachella

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ | 101,147,347 | \$ 111,247,097 | \$ 120,525,667 | \$ 132,455,715 | \$ 145,593,234 | \$ 157,898,999 |
| | 26,096,284 | 23,302,650 | 15,984,734 | 3,896,461 | 4,053,609 | 4,053,609 |
| | (25,655,766) | 903,304 | 3,821,526 | 18,352,829 | 10,703,722 | 13,006,316 |
| \$ | <u>101,587,865</u> | <u>\$ 135,453,051</u> | <u>\$ 140,331,927</u> | <u>\$ 154,705,005</u> | <u>\$ 160,350,565</u> | <u>\$ 174,958,924</u> |
| \$ | 28,937,151 | \$ 31,140,385 | \$ 30,060,637 | \$ 29,190,240 | \$ 29,253,731 | \$ 29,332,671 |
| | 12,386,534 | 10,544,314 | 11,808,295 | 11,781,174 | 12,022,868 | 11,783,670 |
| | 330,584 | 680,001 | 1,550,566 | 2,427,129 | (1,800,780) | (2,613,339) |
| \$ | <u>41,654,269</u> | <u>\$ 42,364,700</u> | <u>\$ 43,419,498</u> | <u>\$ 43,398,543</u> | <u>\$ 39,475,819</u> | <u>\$ 38,503,002</u> |
| \$ | 130,084,498 | \$ 142,387,482 | \$ 150,586,304 | \$ 161,645,955 | \$ 174,846,965 | \$ 187,231,670 |
| | 38,482,818 | 33,846,964 | 27,793,029 | 15,677,635 | 16,076,477 | 15,837,279 |
| | (25,325,182) | 1,583,305 | 5,372,092 | 20,779,958 | 8,902,942 | 10,392,977 |
| \$ | <u>143,242,134</u> | <u>\$ 177,817,751</u> | <u>\$ 183,751,425</u> | <u>\$ 198,103,548</u> | <u>\$ 199,826,384</u> | <u>\$ 213,461,926</u> |

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

| | Fiscal Years | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 |
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | \$ 12,956,139 | \$ 11,789,089 | \$ 7,741,542 | \$ 5,705,993 |
| Public safety | 8,185,639 | 10,032,314 | 10,305,504 | 8,875,765 |
| Public works | 6,382,829 | 8,792,025 | 9,966,066 | 11,861,550 |
| Parks and recreation | 297,478 | 936,008 | 1,134,980 | 1,006,144 |
| Payments to other agencies | - | - | - | - |
| Interest on long-term debt | 2,591,955 | 2,711,031 | 3,048,677 | 2,925,495 |
| Transfers | - | - | - | - |
| Total governmental activities | <u>30,414,040</u> | <u>34,260,467</u> | <u>32,196,769</u> | <u>30,374,947</u> |
| Business-type activities | | | | |
| Water | 4,447,614 | 4,925,075 | 5,389,095 | 4,832,937 |
| Sanitary | 4,386,731 | 8,447,038 | 6,619,280 | 4,787,092 |
| Total business-type activities | <u>8,834,345</u> | <u>13,372,113</u> | <u>12,008,375</u> | <u>9,620,029</u> |
| Total primary government expenses | <u>39,248,385</u> | <u>47,632,580</u> | <u>44,205,144</u> | <u>39,994,976</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | 1,485,666 | 3,239,642 | 2,609,702 | 1,114,356 |
| Public safety | 542,613 | 100,953 | 133,255 | 166,085 |
| Public works | 1,499,050 | 232,289 | 159,351 | 779,045 |
| Parks and recreation | - | - | - | - |
| Operating grants and contributions | 7,455,122 | 5,261,599 | 3,480,245 | 5,200,469 |
| Capital grants and contributions | 3,259,887 | 12,781,151 | 13,414,321 | 6,020,309 |
| Total governmental activities program revenue | <u>14,242,338</u> | <u>21,615,634</u> | <u>19,796,874</u> | <u>13,280,264</u> |
| Business Type Activities | | | | |
| Charges for services: | | | | |
| Water | 3,691,041 | 3,631,226 | 3,483,785 | 3,845,765 |
| Sanitary | 6,485,883 | 5,413,732 | 5,905,830 | 4,704,975 |
| Total business-type activities | <u>10,176,924</u> | <u>9,044,958</u> | <u>9,389,615</u> | <u>8,550,740</u> |
| Total primary government activities program revenues | <u>24,419,262</u> | <u>30,660,592</u> | <u>29,186,489</u> | <u>21,831,004</u> |
| Net revenues (expenses): | | | | |
| Governmental activities | (16,171,702) | (12,644,833) | (12,399,895) | (17,094,683) |
| Business-type activities | 1,342,579 | (4,327,155) | (2,618,760) | (1,069,289) |
| Total net revenues (expenses) | <u>(14,829,123)</u> | <u>(16,971,988)</u> | <u>(15,018,655)</u> | <u>(18,163,972)</u> |

Source: City of Coachella

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ | 4,605,459 | \$ 6,111,900 | \$ 4,998,607 | \$ 4,124,482 | \$ 4,849,757 | \$ 4,251,234 |
| | 9,935,026 | 10,307,033 | 11,303,766 | 11,189,847 | 12,338,488 | 11,972,181 |
| | 11,699,266 | 3,973,174 | 6,965,830 | 7,262,906 | 8,461,080 | 8,553,492 |
| | 1,334,218 | 1,434,101 | 1,854,340 | 2,376,873 | 2,504,397 | 2,547,807 |
| | 2,878,831 | 875,283 | 302,426 | 296,609 | 290,576 | 284,159 |
| | 30,452,800 | 22,701,491 | 25,424,969 | 25,250,717 | 28,444,298 | 27,608,873 |
| | 5,178,132 | 5,296,709 | 5,820,913 | 5,415,282 | 5,286,149 | 5,957,705 |
| | 5,104,398 | 4,592,115 | 5,450,091 | 5,247,438 | 5,206,579 | 5,451,109 |
| | 10,282,530 | 9,888,824 | 11,271,004 | 10,662,720 | 10,492,728 | 11,408,814 |
| | 40,735,330 | 32,590,315 | 36,695,973 | 35,913,437 | 38,937,026 | 39,017,687 |
| | 1,229,829 | 1,042,436 | 1,095,362 | 691,362 | 995,116 | 1,403,812 |
| | 57,173 | 39,690 | 83,181 | 80,823 | 601,521 | 923,539 |
| | 437,508 | 240,491 | 2,669,927 | 473,148 | 567,991 | 993,438 |
| | - | - | 18,803 | 38,717 | 78,314 | 63,165 |
| | 3,860,007 | 3,206,084 | 5,547,193 | 11,445,418 | 5,545,347 | 6,505,798 |
| | 4,440,478 | 2,542,580 | 5,320,294 | 12,178,865 | 15,028,254 | 12,079,607 |
| | 10,024,995 | 7,071,281 | 14,734,760 | 24,908,333 | 22,816,543 | 21,969,359 |
| | 4,712,079 | 5,423,430 | 6,854,219 | 6,393,874 | 6,795,227 | 5,991,334 |
| | 5,133,701 | 5,023,433 | 5,990,399 | 5,278,139 | 5,480,180 | 5,411,565 |
| | 9,845,780 | 10,446,863 | 12,844,618 | 11,672,013 | 12,275,407 | 11,402,899 |
| | 19,870,775 | 17,518,144 | 20,725,159 | 30,186,472 | 28,296,723 | 27,380,924 |
| | (20,427,805) | (15,630,210) | (10,690,209) | (342,384) | (5,627,755) | (5,639,514) |
| | (436,750) | 558,039 | 1,573,614 | 1,009,293 | 1,782,679 | (5,915) |
| | (20,864,555) | (15,072,171) | (9,116,595) | 666,909 | (3,845,076) | (5,645,429) |

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

| | Fiscal Year | | | |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 |
| General Revenues | | | | |
| Governmental activities: | | | | |
| Intergovernmental revenue | - | - | - | - |
| Licenses and permits | | | | |
| Taxes: | | | | |
| Property taxes | 14,572,407 | 16,133,441 | 15,334,880 | 13,914,451 |
| Other taxes | 4,410,933 | 5,280,253 | 4,703,772 | 3,878,561 |
| Interest and rental income | - | 2,624,639 | 459,763 | 181,921 |
| Gain on insurance reimbursement | 2,850,294 | - | - | - |
| Transfers | (2,656,661) | 173,784 | 644,358 | 83,990 |
| Other revenues | 318,283 | 148,322 | 451,263 | 351,448 |
| Total governmental activities | <u>19,495,256</u> | <u>24,360,439</u> | <u>21,594,036</u> | <u>18,410,371</u> |
| Business-type activities | | | | |
| Other taxes | 81,007 | 80,660 | 76,638 | 71,761 |
| Interest and rental income | - | 678,875 | 390,609 | 325,106 |
| Transfers | 2,656,661 | (173,784) | (644,358) | (83,990) |
| Other revenues | 908,020 | 63,366 | - | - |
| Total business-type activities | <u>3,645,688</u> | <u>649,117</u> | <u>(177,111)</u> | <u>312,877</u> |
| Total primary government | <u>23,140,944</u> | <u>25,009,556</u> | <u>21,416,925</u> | <u>18,723,248</u> |
| Changes in Net Position | | | | |
| Governmental activities | 3,323,554 | 11,715,606 | 9,194,141 | 1,315,688 |
| Business-type activities | 4,988,267 | (3,678,038) | (2,795,871) | (756,412) |
| Total primary government | <u>\$ 8,311,821</u> | <u>\$ 8,037,568</u> | <u>\$ 6,398,270</u> | <u>\$ 559,276</u> |

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|----------------|--------------|---------------|---------------|---------------|
| - | - | - | - | - | - |
| 14,936,877 | 7,230,805 | 3,641,132 | 3,865,606 | 4,632,924 | 4,944,626 |
| 3,270,921 | 4,799,090 | 7,465,062 | 7,391,279 | 10,045,129 | 12,186,264 |
| 616,606 | 333,809 | 56,285 | 106,855 | 132,856 | 240,638 |
| - | - | - | - | - | - |
| - | - | 5,479,971 | 2,860,169 | 1,528,100 | 1,280,352 |
| 725,955 | 39,472 | 820,102 | 491,553 | 807,923 | 1,595,993 |
| 19,550,359 | 12,403,176 | 17,462,552 | 14,715,462 | 17,146,932 | 20,247,873 |
| 52,479 | 88,747 | 120,102 | 78,565 | 119,244 | 122,031 |
| 307,310 | 63,645 | 17,012 | 62,092 | 138,131 | 191,419 |
| - | - | - | (1,170,905) | (1,278,100) | (1,280,352) |
| - | - | - | - | - | - |
| 359,789 | 152,392 | 137,114 | (1,030,248) | (1,020,725) | (966,902) |
| 19,910,148 | 12,555,568 | 17,599,666 | 13,685,214 | 16,126,207 | 19,280,971 |
| (877,446) | (3,227,034) | 6,772,343 | 14,373,078 | 11,519,177 | 14,608,359 |
| (76,961) | 710,431 | 1,710,728 | (20,955) | 761,954 | (972,817) |
| \$ (954,407) | \$ (2,516,603) | \$ 8,483,071 | \$ 14,352,123 | \$ 12,281,131 | \$ 13,635,542 |

City of Coachella
Fund Balances of Governmental Funds ⁽¹⁾
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 |
| General Fund: | | | | |
| Reserved | \$ 1,251,604 | \$ 766,397 | \$ 152,911 | \$ 182,516 |
| Unreserved | 9,111,113 | 6,815,659 | 6,645,206 | 6,973,935 |
| Nonspendable | | | | |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| Total general fund | \$ 10,362,717 | \$ 7,582,056 | \$ 6,798,117 | \$ 7,156,451 |
| All other government funds: | | | | |
| Reserved | \$ 19,072,608 | \$ 29,108,658 | \$ 9,791,031 | \$ 6,119,021 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 17,626,900 | (10,019,658) | 18,214,433 | 20,477,006 |
| Capital projects funds | 20,571,791 | 42,407,884 | 11,870,645 | 10,997,083 |
| Nonspendable | | | | |
| Restricted | | | | |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| Total all other governmental funds | \$ 57,271,299 | \$ 61,496,884 | \$ 39,876,109 | \$ 37,593,110 |
| Total government | \$ 67,634,016 | \$ 69,078,940 | \$ 46,674,226 | \$ 44,749,561 |

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

Source: City of Coachella

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 97,889 | \$ 696,055 | \$ 747,187 | \$ - | \$ 1,034 | \$ 1,034 |
| 7,438,822 | 7,216,287 | 7,233,049 | - | - | - |
| | | | 712,301 | 804,798 | 1,086,738 |
| | | | 127,126 | 962,276 | 962,276 |
| | | | | 545 | 545 |
| | | | 6,571,198 | 5,379,585 | 7,810,266 |
| <u>\$ 7,536,711</u> | <u>\$ 7,912,342</u> | <u>\$ 7,980,236</u> | <u>\$ 7,410,625</u> | <u>\$ 7,148,238</u> | <u>\$ 9,860,859</u> |
| \$ 6,119,021 | \$ 7,557,962 | \$ 6,473,490 | | | |
| 22,277,334 | 9,811,963 | 8,762,749 | | | |
| 9,507,944 | (8,722) | | | | |
| | | | 4,364,961 | 4,521,075 | \$ 4,946,650 |
| | | | 5,485,293 | 4,425,140 | 4,028,827 |
| | | | 3,225,142 | 2,480,066 | 1,631,603 |
| | | | (10,842) | (1,795) | (62,260) |
| <u>\$ 37,904,299</u> | <u>\$ 17,361,203</u> | <u>\$ 15,236,239</u> | <u>\$ 13,064,554</u> | <u>\$ 11,424,486</u> | <u>\$ 10,544,820</u> |
| <u>\$ 45,441,010</u> | <u>\$ 25,273,545</u> | <u>\$ 23,216,475</u> | <u>\$ 20,475,179</u> | <u>\$ 18,572,724</u> | <u>\$ 20,405,679</u> |

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

| | Fiscal Years | | | |
|---|-----------------------|----------------------|------------------------|-----------------------|
| | 2007 | 2008 | 2009 | 2010 |
| Revenues: | | | | |
| Taxes | \$ 18,983,340 | \$ 21,339,431 | \$ 20,144,921 | \$ 17,586,613 |
| Property tax increment | - | - | - | - |
| Licenses and permits | 2,045,347 | 2,165,334 | 1,860,509 | 506,267 |
| Charges for services | 1,174,361 | 674,891 | 415,752 | 941,030 |
| Fines and forfeits | 307,621 | 266,466 | 312,085 | 193,308 |
| Intergovernmental revenue | 6,277,896 | 12,418,721 | 7,994,437 | 6,410,258 |
| Developer Fees | - | - | - | - |
| Special Assessments | - | - | - | - |
| Interest and rental income | 2,850,294 | 2,624,639 | 922,654 | 658,301 |
| Other income | 4,755,396 | 6,312,807 | 5,612,347 | 6,225,902 |
| Total revenues | \$ 36,394,255 | \$ 45,802,289 | \$ 37,262,705 | \$ 32,521,679 |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Departmental | \$ 10,413,993 | \$ 11,326,595 | \$ 7,297,718 | \$ 5,692,863 |
| Non-departmental | - | - | - | - |
| Public safety | 8,138,684 | 9,969,322 | 9,705,504 | 8,816,894 |
| Public works | 4,884,148 | 3,572,002 | 3,567,104 | 3,852,501 |
| Parks and recreation | 297,478 | 923,957 | 962,264 | 830,108 |
| Payment to other agencies | - | - | - | - |
| Capital outlays | 6,880,698 | 20,332,270 | 22,239,928 | 4,441,241 |
| Debt service: | | | | |
| Pass-through Agreements | 910,690 | 1,412,917 | 3,630,538 | 5,826,335 |
| Issuance Costs | - | 482,231 | - | - |
| Principal retirements | 1,960,906 | 1,005,824 | 1,186,049 | 1,643,602 |
| Interest and fiscal changes | 2,357,427 | 2,711,031 | 3,039,111 | 2,942,234 |
| Capital outlays | - | - | - | - |
| Total expenditures | \$ 35,844,024 | \$ 51,736,149 | \$ 51,628,216 | \$ 34,045,778 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 550,231 | \$ (5,933,860) | \$ (14,365,511) | \$ (1,524,099) |
| Other financing sources (uses): | | | | |
| Proceeds from loan | \$ - | \$ - | \$ - | \$ - |
| Proceeds from bond debt | - | - | - | - |
| Discount on bond debt | - | - | - | - |
| Premium on bond debt | - | - | - | - |
| Payment to bond agent | - | - | - | - |
| Gain on sale of land | - | - | - | - |
| Transfers in | 14,283,215 | 21,894,708 | 20,130,396 | 12,134,189 |
| Transfers out | (16,939,876) | (21,720,924) | (19,486,038) | (12,050,199) |
| Issuance of Long-term Debt | - | 7,205,000 | - | - |
| Total other financing sources (uses) | \$ (2,656,661) | \$ 7,378,784 | \$ 644,358 | \$ 83,990 |
| Extraordinary item: | \$ - | \$ - | \$ - | \$ - |
| Net change in fund balances | \$ (2,106,430) | \$ 1,444,924 | \$ (13,721,153) | \$ (1,440,109) |
| Debt service as a percentage of non-capital expenditures | 18.2% | 14.4% | 19.6% | 23.9% |

Source: City of Coachella

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|-------------|-----------------|----------------|----------------|----------------|---------------|
| \$ | 18,207,798 | \$ 15,285,530 | \$ 11,719,602 | \$ 11,724,882 | \$ 14,676,884 | \$ 17,164,738 |
| | 328,074 | 443,692 | 614,773 | 442,562 | 538,012 | 798,212 |
| | 513,713 | 331,760 | 453,441 | 180,654 | 397,549 | 450,980 |
| | 186,327 | 200,141 | 95,057 | 165,618 | 184,794 | 502,295 |
| | 4,790,834 | 10,333,837 | 7,509,649 | 15,291,696 | 17,809,697 | 15,923,966 |
| | | | | | 567,991 | 993,438 |
| | | | | | 3,129,783 | 3,228,493 |
| | 616,600 | 196,698 | 56,285 | 106,855 | 132,856 | 240,638 |
| | 4,518,528 | 6,933,698 | 6,268,534 | 4,088,497 | 807,923 | 1,595,993 |
| \$ | 29,161,874 | \$ 33,725,356 | \$ 26,717,341 | \$ 32,000,764 | \$ 38,245,489 | \$ 40,898,753 |
| \$ | 4,296,416 | \$ 5,055,676 | \$ 4,511,278 | \$ 4,236,748 | \$ 4,664,727 | \$ 4,348,014 |
| | 9,873,162 | 10,248,889 | 11,236,936 | 11,123,018 | 12,271,659 | 11,905,352 |
| | 6,766,312 | 2,949,814 | 3,598,866 | 3,876,914 | 5,069,452 | 5,161,864 |
| | 1,132,761 | 1,257,203 | 1,677,442 | 1,865,921 | 1,984,820 | 2,028,230 |
| | 1,582,158 | 11,150,050 | 12,781,950 | 16,052,519 | 17,234,277 | 16,452,981 |
| | 2,705,158 | 426,749 | - | - | - | - |
| | 1,356,591 | 1,240,000 | 145,000 | 150,000 | 160,000 | 165,000 |
| | 2,895,570 | 1,560,982 | 302,909 | 297,109 | 291,109 | 284,709 |
| \$ | 30,608,128 | \$ 33,889,363 | \$ 34,254,381 | \$ 37,602,229 | \$ 41,676,044 | \$ 40,346,150 |
| \$ | (1,446,254) | \$ (164,007) | \$ (7,537,040) | \$ (5,601,465) | \$ (3,430,555) | \$ 552,603 |
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | 9,707,470 | 46,165,111 | 19,087,073 | 22,151,890 | 20,840,763 | 19,309,673 |
| | (9,707,470) | (46,165,111) | (13,607,102) | (19,291,721) | (19,312,663) | (18,029,321) |
| \$ | - | \$ - | \$ 5,479,971 | \$ 2,860,169 | \$ 1,528,100 | \$ 1,280,352 |
| \$ | 146,882 | \$ (18,012,537) | | | | |
| \$ | (1,299,372) | \$ (18,176,544) | \$ (2,057,069) | \$ (2,741,296) | \$ (1,902,455) | \$ 1,832,955 |
| | 19.3% | 14.4% | 2.1% | 2.1% | 1.9% | 1.9% |

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

| <u>Fiscal Year End</u> | <u>Gross Assessed Value</u> | <u>Less Property Exemptions</u> | <u>Net Taxable Value</u> |
|------------------------|-----------------------------|---------------------------------|--------------------------|
| 2007 | 1,632,382,708 | 104,390,591 | 1,527,992,117 |
| 2008 | 2,117,495,881 | 116,363,279 | 2,001,132,602 |
| 2009 | 2,113,810,148 | 124,455,289 | 1,989,354,859 |
| 2010 | 1,821,712,132 | 115,435,770 | 1,706,276,362 |
| 2011 | 1,642,263,955 | 155,857,195 | 1,486,406,760 |
| 2012 | 1,547,181,026 | 153,904,367 | 1,393,276,659 |
| 2013 | 1,481,929,638 | 155,810,941 | 1,326,118,697 |
| 2014 | 1,519,638,811 | 115,454,244 | 1,404,184,567 |
| 2015 | 1,623,808,162 | 145,480,073 | 1,478,328,089 |
| 2016 | 1,727,928,171 | 162,063,787 | 1,565,864,384 |

Source: Riverside County Assessor's Office
 MuniServices, LLC

| <u>Less Homeowners Exemption</u> | <u>Net Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Percent of Assessed Value</u> |
|--------------------------------------|---------------------------|----------------------------------|--------------------------------------|
| 16,443,215 | 1,511,548,902 | 4.73 | 64.64% |
| 18,019,873 | 1,983,112,729 | 4.64 | 31.20% |
| 18,982,925 | 1,970,371,934 | 4.86 | -0.64% |
| 10,199,509 | 1,696,076,853 | 6.63 | -13.92% |
| 11,506,708 | 1,474,900,052 | 6.63 | -13.04% |
| 71,670,761 | 1,321,605,898 | 6.63 | -10.39% |
| 20,672,757 | 1,305,445,940 | 6.63 | -1.22% |
| 20,581,588 | 1,383,602,979 | 6.63 | 5.99% |
| 20,451,439 | 1,457,876,650 | 6.63 | 5.37% |
| 20,357,878 | 1,545,506,506 | 6.63 | 6.01% |

City of Coachella

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

| Fiscal Year End | Residential Property | Commercial Property | Other Property | Unsecured Property |
|--------------------|-------------------------|------------------------|-------------------|--------------------|
| 2009-10 | 885,069,483 | 282,638,822 | 587,988,234 | 66,015,593 |
| 2010-11 | 782,722,615 | 295,988,410 | 501,142,417 | 62,410,514 |
| 2011-12 | 755,901,377 | 300,469,945 | 430,469,507 | 60,340,197 |
| 2012-13 | 715,872,078 | 285,845,274 | 421,670,150 | 58,542,136 |
| 2013-14 | 752,563,219 | 287,615,839 | 419,316,122 | 60,143,631 |
| 2014-15 | 952,454,624 | 406,038,422 | 202,671,983 | 62,643,133 |
| 2015-16 | 1,046,676,190 | 399,749,719 | 212,961,909 | 68,540,353 |

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

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

Note: The City does not have the data for years prior to 2009-2010.

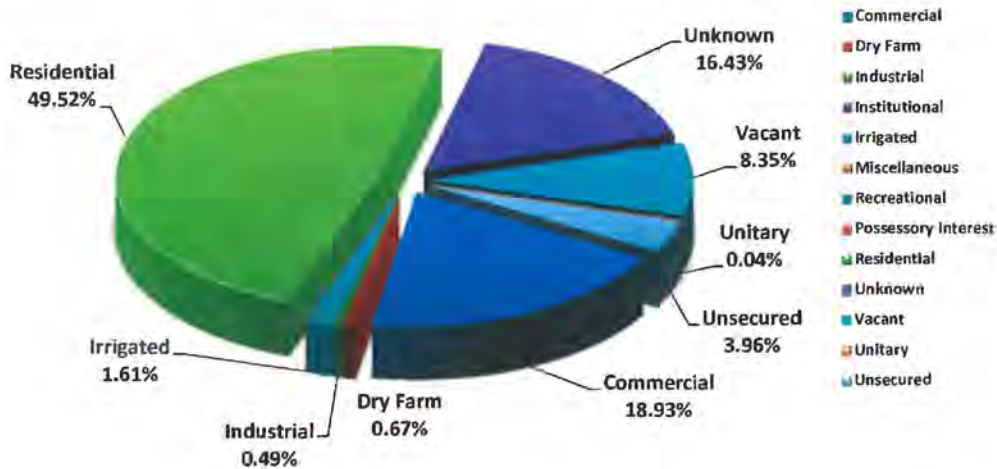
Source: Riverside County Assessor data, MuniServices, LLC

| Less Tax-Exempt Property | Taxable Assessed Value | Total Direct Tax Rate (1) | Estimated Actual Taxable Value (2) | Factor of Taxable Assessed Value (2) |
|-----------------------------|---------------------------|------------------------------|---------------------------------------|---|
| 115,435,770 | 1,706,276,362 | .03098381 | 1,771,183,115 | 1.038042 |
| 155,857,195 | 1,486,406,761 | .03098472 | 1,474,620,299 | 0.992071 |
| 153,904,367 | 1,393,276,659 | .03100944 | 1,321,605,898 | 0.948560 |
| 155,810,941 | 1,326,118,697 | .03100944 | 1,348,591,725 | 1.016946 |
| 115,454,244 | 1,404,184,567 | .03100944 | 1,496,588,337 | 1.065806 |
| 145,480,073 | 1,478,328,089 | .03100944 | 1,824,638,149 | 1.234258 |
| 162,063,787 | 1,565,864,384 | .03100944 | 1,750,844,055 | 1.118133 |

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

| Category | Fiscal Year | | | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Agriculture | 0 | 0 | 0 | 0 |
| Commercial | 78,400 | 138,925 | 152,499 | 282,639 |
| Dry Farm | 18,234 | 18,234 | 18,488 | 18,885 |
| Industrial | 83,660 | 97,256 | 105,518 | 9,380 |
| Institutional | 2,080 | 2,121 | 2,164 | 0 |
| Irrigated | 44,224 | 50,934 | 45,427 | 46,055 |
| Miscellaneous | 884 | 889 | 829 | 0 |
| Recreational | 2,988 | 2,865 | 5,327 | 0 |
| Possessory Interest | 4,914 | 5,061 | 5,676 | 1,276 |
| Residential | 799,191 | 1,148,922 | 1,075,436 | 885,069 |
| Unknown | 139,854 | 125,536 | 162,207 | 251,346 |
| Vacant | 391,025 | 453,817 | 467,419 | 260,491 |
| Unitary | 944 | 555 | 555 | 555 |
| Gross Secured Value | 1,566,398 | 2,045,115 | 2,041,545 | 1,755,697 |
| Unsecured | 65,985 | 72,381 | 72,265 | 66,016 |
| Exemptions | 104,391 | 116,363 | 124,455 | 115,436 |
| Net Secured Value | 1,527,992 | 2,001,133 | 1,989,355 | 1,706,276 |

Assessed Value By Land Use



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

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

| 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 0 | 0 | 0 | 0 | 0 | 26,904 |
| 295,988 | 300,470 | 285,845 | 287,616 | 406,038 | 399,750 |
| 18,509 | 12,456 | 11,050 | 10,242 | 10,779 | 10,501 |
| 8,955 | 9,349 | 6,793 | 7,377 | 9,568 | 9,694 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 41,558 | 28,657 | 24,548 | 24,459 | 25,371 | 26,589 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 13,309 | 13,702 |
| 983 | 988 | 0 | 0 | 0 | 0 |
| 782,723 | 755,901 | 715,872 | 752,563 | 952,455 | 1,046,676 |
| 238,150 | 234,449 | 246,059 | 249,695 | 23,376 | 0 |
| 192,433 | 144,016 | 132,619 | 126,940 | 119,667 | 125,571 |
| 555 | 555 | 602 | 605 | 602 | 602 |
| 1,579,853 | 1,486,841 | 1,423,388 | 1,459,497 | 1,561,165 | 1,659,989 |
| 62,411 | 60,340 | 58,542 | 60,143 | 62,643 | 68,540 |
| 155,857 | 153,904 | 155,811 | 115,454 | 145,480 | 162,064 |
| 1,486,407 | 1,393,277 | 1,326,119 | 1,404,186 | 1,478,328 | 1,566,465 |

City of Coachella

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

| | Fiscal Years | | | |
|-----------------------------------|--------------|----------|----------|----------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Basic City and County Levy | | | | |
| COUNTY GENERAL | 0.118000 | 0.118000 | 0.131000 | 0.103042 |
| COUNTY FREE LIBRARY | 0.029000 | 0.029000 | 0.029000 | 0.013312 |
| CITY OF COACHELLA ANX | 0.063000 | 0.063000 | 0.063000 | 0.030984 |
| COACHELLA VALLEY UNIFIED | 0.391000 | 0.391000 | 0.391000 | 0.432209 |
| DESERT COMMUNITY COLLEGE | 0.081000 | 0.081000 | 0.081000 | 0.069757 |
| RIV. CO. OFFICE OF EDUCATION | 0.044000 | 0.044000 | 0.044000 | 0.037951 |
| RIV CO REG PARK & OPEN SPACE | 0.005000 | 0.005000 | 0.005000 | 0.002544 |
| COACHELLA VALLEY PUB CEMETERY | 0.004000 | 0.004000 | 0.004000 | 0.002131 |
| COACHELLA FIRE PROTECTION | 0.054000 | 0.054000 | 0.054000 | 0.036499 |
| CV MOSQ & VECTOR CONTROL | 0.015000 | 0.015000 | 0.015000 | 0.009059 |
| COACHELLA VALLEY REC & PARK | 0.022000 | 0.022000 | 0.022000 | 0.010968 |
| COACHELLA VALLEY CO WATER | 0.030000 | 0.030000 | 0.030000 | 0.025363 |
| COACHELLA VALLEY RES CONSER | 0.000325 | 0.000325 | 0.000325 | 0.000325 |
| CVC WTR IMP DST 1 DEBT SV | - | - | - | 0.011835 |
| COACH VAL CO WTR STORM WTR UNIT | 0.032107 | 0.032107 | 0.032107 | 0.032107 |
| ERAF | 0.198000 | 0.198000 | 0.198000 | 0.181914 |
| TOTAL | 1.086432 | 1.086432 | 1.099432 | 1.000000 |
| Override Assessments | | | | |
| COACHELLA VALLEY UNIFIED | 0.060000 | 0.060000 | 0.060000 | 0.072470 |
| DESERT COMMUNITY COLLEGE | 0.019950 | 0.019950 | 0.019950 | 0.019950 |
| COACHELLA VALLEY WATER | 0.021000 | 0.040000 | 0.040000 | 0.060000 |
| TOTAL | 0.100950 | 0.119950 | 0.119950 | 0.152420 |
| TOTAL TAX RATE | 1.187382 | 1.206382 | 1.219382 | 1.152420 |

For purposes of this table TRA 12-000 is represented

Source: Riverside County Auditor data, MuniServices, LLC

Source: 2008-09 prior, previous published CAFR

| 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------|----------|----------|----------|----------|----------|
| 0.103042 | 0.103064 | 0.103064 | 0.103064 | 0.103064 | 0.103064 |
| 0.013312 | 0.013312 | 0.013312 | 0.013314 | 0.013314 | 0.013314 |
| 0.030985 | 0.031009 | 0.031009 | 0.031009 | 0.031009 | 0.031009 |
| 0.432209 | 0.432209 | 0.432209 | 0.432209 | 0.432209 | 0.432209 |
| 0.069757 | 0.069757 | 0.069757 | 0.069757 | 0.069757 | 0.069757 |
| 0.037951 | 0.037951 | 0.037951 | 0.037951 | 0.037951 | 0.037951 |
| 0.002544 | 0.002544 | 0.002544 | 0.002544 | 0.002544 | 0.002544 |
| 0.002131 | 0.002131 | 0.002131 | 0.002131 | 0.002131 | 0.002131 |
| 0.036487 | 0.036487 | 0.036487 | 0.036487 | 0.036487 | 0.036487 |
| 0.009059 | 0.009059 | 0.009059 | 0.009059 | 0.009059 | 0.009059 |
| 0.010968 | 0.010968 | 0.010968 | 0.010968 | 0.010968 | 0.010968 |
| 0.025363 | 0.025363 | 0.025363 | 0.025363 | 0.025363 | 0.025363 |
| 0.000325 | 0.000325 | 0.000325 | 0.000325 | 0.000325 | 0.000325 |
| 0.011835 | 0.011835 | 0.011835 | 0.011835 | 0.011835 | 0.011835 |
| 0.032107 | 0.032107 | 0.032107 | 0.032107 | 0.032107 | 0.032107 |
| 0.181925 | 0.181878 | 0.181878 | 0.181878 | 0.181878 | 0.181876 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 0.093320 | 0.074870 | 0.079680 | 0.149190 | 0.132180 | 0.132180 |
| 0.019950 | 0.019950 | 0.019950 | 0.019950 | 0.020870 | 0.020870 |
| 0.080000 | 0.080000 | 0.080000 | 0.100000 | 0.100000 | 0.100000 |
| 0.193270 | 0.174820 | 0.179630 | 0.269140 | 0.253050 | 0.253050 |
| 1.193270 | 1.174820 | 1.179630 | 1.269140 | 1.253050 | 1.253050 |

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

| Category | 2007 | 2008 | 2009 | 2010 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| Agriculture | \$ - | \$ - | \$ - | \$ - |
| Residential | 799,191 | 1,148,922 | 1,075,436 | 885,069 |
| Commercial | 78,400 | 138,925 | 152,499 | 282,639 |
| Industrial | 83,660 | 97,256 | 105,518 | 9,380 |
| Dry Farm | 18,234 | 18,234 | 18,488 | 18,885 |
| Institutional | 2,080 | 2,121 | 2,164 | - |
| Irrigated | 44,224 | 50,934 | 45,427 | 46,055 |
| Miscellaneous | 884 | 889 | 829 | - |
| Recreational | 2,988 | 2,865 | 5,327 | - |
| Vacant Land | 391,025 | 453,817 | 467,419 | 260,491 |
| SBE Nonunitary | 944 | 555 | 555 | 555 |
| Possessory Int. | 4,914 | 5,061 | 5,676 | 1,276 |
| Unsecured | 65,985 | 72,381 | 72,265 | 66,015 |
| Unknown | 35,463 | 9,281 | 37,751 | 135,911 |
| Totals | \$ 1,527,992 | \$ 2,001,241 | \$ 1,989,354 | \$ 1,706,276 |
| Total Direct Rate | 0.47329% | 0.46366% | 0.48578% | 0.66274% |

Note:

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

Exemptions not included in total.

Source: Riverside County Assessor's Office
MuniServices, LLC

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 26,904 |
| 782,723 | 755,901 | 715,872 | 752,563 | 952,455 | 1,046,676 |
| 295,988 | 300,470 | 285,845 | 287,616 | 406,038 | 399,750 |
| 8,955 | 9,349 | 6,793 | 7,377 | 9,568 | 9,694 |
| 18,509 | 12,456 | 11,050 | 10,242 | 10,779 | 10,501 |
| - | - | - | - | - | - |
| 41,558 | 28,657 | 24,548 | 24,459 | 25,371 | 26,589 |
| - | - | - | - | - | - |
| - | - | - | - | 13,309 | 13,702 |
| 192,433 | 144,016 | 132,619 | 126,940 | 119,667 | 125,571 |
| 555 | 555 | 602 | 602 | 602 | 602 |
| 983 | 988 | - | - | - | - |
| 62,411 | 60,340 | 58,542 | - | - | 68,540 |
| 82,293 | 80,545 | 90,248 | 249,695 | 23,376 | - |
| <u>\$ 1,486,408</u> | <u>\$ 1,393,277</u> | <u>\$ 1,326,119</u> | <u>\$ 1,459,494</u> | <u>\$ 1,561,165</u> | <u>\$ 1,728,529</u> |
| <u>0.66274%</u> | <u>0.66274%</u> | <u>0.66274%</u> | <u>0.66274%</u> | <u>0.66274%</u> | <u>0.66274%</u> |

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

| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | |
|---------------------------------|--------------------------------------|---|-----------------------|---------------------|
| | | Amount | Percentage of Levy | Subsequent Years |
| 2007 | 14,653,414 | 14,653,414 | 100% | - |
| 2008 | 16,214,101 | 16,214,101 | 100% | - |
| 2009 | 19,703,719 | 19,703,719 | 100% | - |
| 2010 | 16,960,768 | 16,960,768 | 100% | - |
| 2011 | 14,749,000 | 14,749,000 | 100% | - |
| 2012 | 13,216,059 | 13,216,059 | 100% | - |
| 2013 | 12,225,753 | 12,225,753 | 100% | - |
| 2014 | 13,188,561 | 13,188,561 | 100% | - |
| 2015 | 14,499,234 | 14,499,234 | 100% | - |
| 2016 | 15,693,198 | 15,693,198 | 100% | - |

Source: Riverside County Assessors Office

Collection in
Subsequent Years

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

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

| Taxpayer | 2015-16 | | 2006-07 | |
|--------------------------------|-----------------------|--|-----------------------|--|
| | Taxable Value (\$) | Percent of Total City Taxable Value (%) | Taxable Value (\$) | Percent of Total City Taxable Value (%) |
| Soco | 31,197,289 | 1.99% | | |
| Armtech Defense Products Co | 26,420,627 | 1.69% | 22,096,356 | 1.46% |
| Wal Mart Stores Inc. | 18,967,305 | 1.21% | | |
| Halum Abesud Mona | 16,089,549 | 1.03% | 14,283,322 | 0.95% |
| Sun World Packing Corp | 15,979,973 | 1.02% | | |
| Anthony Vineyards Inc. | 14,679,257 | 0.94% | 10,488,977 | 0.69% |
| Coachella Vineyard Estates | 11,425,000 | 0.73% | | |
| California Artichoke Veg Growe | 11,366,088 | 0.73% | | |
| Hpt Ta Prop Trust | 10,375,784 | 0.66% | | |
| Psav | 8,845,107 | 0.56% | | |
| Grimmway Enterprise Inc. | 8,776,460 | 0.56% | | |
| A S Coachella Centers | 8,509,945 | 0.54% | | |
| Camp Court | 8,160,404 | 0.52% | | |
| Sun Sands Enterprise | 8,028,058 | 0.51% | | |
| Cauzza Four Drug Store | 7,374,617 | 0.47% | | |
| Desert Lakes Master | 7,018,000 | 0.45% | | |
| Lb | 6,312,810 | 0.40% | | |
| Cvp Palm Springs | 6,276,057 | 0.40% | | |
| S D Inv Inc. | 6,166,476 | 0.39% | | |
| Wm Sub Esc | 6,119,783 | 0.39% | | |
| Christopher Coachella | 5,915,019 | 0.38% | | |
| Coachella Harrison Partners | 5,449,995 | 0.35% | | |
| Bci Coca Cola Bottling Co Of L | 5,407,500 | 0.35% | | |
| Nika Royal | 5,381,250 | 0.34% | | |
| Sun Date Llc | 5,045,870 | 0.32% | | |
| Lennar Homes Calif Inc | | | 91,092,720 | 6.03% |
| K Hovnanian Forecast Homes Inc | | | 39,704,782 | 2.63% |
| Fiesta Dev Inc | | | 32,027,994 | 2.12% |
| Desert Highlands Assoc | | | 27,553,861 | 1.82% |
| Coachella Land 389 | | | 21,250,500 | 1.41% |
| Mw Housing Partnersiii | | | 18,300,000 | 1.21% |
| Cretaceous Ventures | | | 15,333,300 | 1.02% |
| Sun World Intl Llc | | | 14,250,597 | 0.94% |
| Avenue 48 Inv Group | | | 13,478,790 | 0.89% |
| J&R Montana | | | 11,561,038 | 0.77% |
| Brandenburg Oak Grove | | | 11,404,285 | 0.76% |
| Crv Rilington Diegocoachella | | | 11,302,600 | 0.75% |
| Dillon Road Assoc | | | 11,220,000 | 0.74% |
| Mfjk Partnership | | | 9,610,485 | 0.64% |
| Ta Operating Corp | | | 9,126,511 | 0.60% |
| Amazing Coachella Inc. | | | 8,927,164 | 0.59% |
| Rancho Heights | | | 8,905,550 | 0.59% |
| Jackson Street Retail Inv | | | 8,797,952 | 0.58% |
| Desert Mist Cooling | | | 8,796,358 | 0.58% |
| Gentry Capital Partners Inc | | | 8,417,863 | 0.56% |
| Kb Home Coastal Inc | | | 8,089,345 | 0.54% |
| 54Th Street | | | 7,742,000 | 0.51% |
| Total Top 25 Taxpayers | 265,288,223 | 16.94% | 443,762,350 | 29.39% |
| Total Taxable Value | 1,565,864,384 | 100.00% | 1,509,943,968 | 100.00% |

Source: Riverside County Assessor data, MuniServices, LLC

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

2015-16

2006-07

| Taxpayer | Business Type | Taxpayer | Business Type |
|-----------------------------|---------------------|-----------------------------|-------------------|
| 99 Cents Only Stores | Department Stores | Albertson's Food Centers | Food Markets |
| Arco AM/PM Mini Marts | Service Stations | Arco AM/PM Mini Marts | Service Stations |
| Autozone | Auto Parts/Repair | Autozone | Auto Parts/Repair |
| Beck Oil | Energy Sales | Cardenas Market | Food Markets |
| Cardenas Market | Food Markets | Carl's Jr. Restaurants | Restaurants |
| Carl's Jr. Restaurants | Restaurants | Coachella Ranch Market | Food Markets |
| Chevron Service Stations | Service Stations | Coronet Concrete Products | Bldg.Matls-Whsle |
| Coronet Concrete Products | Bldg.Matls-Whsle | Exxon Service Stations | Service Stations |
| Fastrip Service Stations | Service Stations | Fastrip Service Stations | Service Stations |
| Food 4 Less | Food Markets | Food 4 Less | Food Markets |
| Foster & Gardner | Florist/Nursery | Foster & Gardner | Florist/Nursery |
| Fulton Distributing Company | Food Processing Eqp | Hydro Systems | Bldg.Matls-Whsle |
| Hydro Ag Systems | Heavy Industry | Imperial Western Products | Light Industry |
| Imperial Sprinkler Supply | Bldg.Matls-Whsle | J & M Sales | Auto Sales - Used |
| J & M Sales | Auto Sales - Used | Jack In The Box Restaurants | Restaurants |
| Jack In The Box Restaurants | Restaurants | Jiquilpan Auto Sales | Auto Sales - Used |
| Love's Travel Stop | Service Stations | Lee Escher Oil Company | Energy Sales |
| Mcdonald's Restaurants | Restaurants | Love's Travel Stop | Service Stations |
| Pete's Road Service | Auto Parts/Repair | Lucky Vehicles | Auto Sales - Used |
| Qwik Mart | Food Markets | Pete's Road Service | Auto Parts/Repair |
| South West Pump & Drilling | Bldg.Matls-Whsle | Pool & Electrical Products | Bldg.Matls-Whsle |
| TA Travel Center | Service Stations | Rite Aid Drug Stores | Drug Stores |
| Union 76 Service Stations | Service Stations | Superior Ready Mix Concrete | Bldg.Matls-Whsle |
| Walmart Neighborhood Market | Food Markets | Truckstop Of America | Service Stations |
| Wells Supply Company | Bldg.Matls-Retail | Union 76 Service Stations | Service Stations |

Top Sales Tax Producers are listed in alphabetical order

Source: SBOE data, MuniServices, LLC

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

| Fiscal Year | Governmental Activities | | | | | |
|-------------|-------------------------|---------------------|---------------------------|----------------|-------------------------------|-----------------|
| | Redevelopment Loan | Redevelopment Bonds | Financing Authority Notes | Capital Leases | Certificates of Participation | Refunding Bonds |
| 2007 | - | 53,775,000 | - | 467,066 | - | - |
| 2008 | - | 52,875,000 | - | 361,242 | 7,205,000 | - |
| 2009 | - | 51,940,000 | - | 200,193 | 7,115,000 | - |
| 2010 | - | 50,545,000 | - | 81,591 | 6,985,000 | - |
| 2011 | - | 49,405,000 | - | - | 6,850,000 | - |
| 2012 | - | - | - | - | 6,710,000 | - |
| 2013 | - | - | - | - | 6,565,000 | - |
| 2014 | - | - | - | - | 6,415,000 | - |
| 2015 | - | - | - | - | 625,500 | - |
| 2016 | - | - | - | - | 6,090,000 | - |

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

Business-Type Activites

| <u>Revenue Bonds</u> | <u>Revolving Fund Loan</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income (1)</u> | <u>Per Capita (1)</u> |
|--------------------------|--------------------------------|-------------------------------------|--|---------------------------|
| 22,664,274 | 20,934,609 | 97,840,949 | 18.65% | 2,242 |
| 22,216,746 | 22,959,943 | 105,617,931 | 20.14% | 2,421 |
| 26,781,870 | 21,982,766 | 108,019,829 | 20.59% | 2,476 |
| 26,281,572 | 20,983,114 | 104,876,277 | 20.00% | 2,404 |
| 25,761,785 | 19,960,470 | 101,977,255 | 19.44% | 2,337 |
| 25,222,319 | 18,914,305 | 50,846,624 | 9.69% | 1,165 |
| 24,632,974 | 17,844,078 | 49,042,052 | 9.35% | 1,124 |
| 23,978,541 | 16,749,236 | 47,142,777 | 8.99% | 1,080 |
| 23,851,002 | 15,629,213 | 45,735,215 | 8.72% | 1,048 |
| 22,353,536 | 14,483,429 | 42,926,965 | 8.18% | 984 |

City of Coachella
Legal Debt Margin Information
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 |
| Assessed valuation | 1,629,220,124 | 2,117,495,881 | 2,113,810,148 | 1,821,712,132 |
| Conversion percentage | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 407,305,031 | 529,373,970 | 528,452,537 | 455,428,033 |
| Debt limit percentage | 15% | 15% | 15% | 15% |
| Debt limit | 61,095,755 | 79,406,096 | 79,267,881 | 68,314,205 |
| Total net debt applicable to limit: General obligation bonds | - | - | - | - |
| Legal debt margin | <u>\$ 61,095,755</u> | <u>\$ 79,406,096</u> | <u>\$ 79,267,881</u> | <u>\$ 68,314,205</u> |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% |

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market values (as of the most change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Riverside County Assessors Office
MuniServices, LLC

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1,642,263,955 | 1,547,181,026 | 1,481,929,638 | 1,519,638,811 | 1,623,508,162 | 1,727,928,171 |
| 25% | 25% | 25% | 25% | 25% | 25% |
| 410,565,989 | 386,795,257 | 370,482,410 | 379,909,703 | 405,877,041 | 431,982,043 |
| 15% | 15% | 15% | 15% | 15% | 15% |
| 61,584,898 | 58,019,288 | 55,572,361 | 56,986,455 | 60,881,556 | 64,797,306 |
| - | - | - | - | - | - |
| <u>\$ 61,584,898</u> | <u>\$ 58,019,288</u> | <u>\$ 55,572,361</u> | <u>\$ 56,986,455</u> | <u>\$ 60,881,556</u> | <u>\$ 64,797,306</u> |
| 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

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

| <u>Fiscal Year</u> | <u>Gross Revenues</u> | <u>Gross Expenses (1)</u> | <u>Net Revenue Available for Debt Service</u> |
|--------------------|-----------------------|---------------------------|---|
| 2016 | 5,411,565 | 3,358,002 | 2,053,563 |
| 2015 | 5,480,180 | 2,965,381 | 2,514,799 |
| 2014 | 5,278,139 | 2,979,982 | 2,298,157 |
| 2013 | 5,990,399 | 2,802,614 | 3,187,785 |
| 2012 | 5,023,433 | 2,278,042 | 2,745,391 |
| 2011 | 5,133,701 | 2,908,022 | 2,225,679 |
| 2010 | 5,008,316 | 2,323,891 | 2,684,425 |
| 2009 | 4,888,960 | 3,171,968 | 1,716,992 |
| 2008 | 4,752,600 | 2,555,682 | 2,196,918 |
| 2007 | 6,139,807 | 2,391,117 | 3,748,690 |

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

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

Source: City of Coachella

| Debt Service Requirements | | | |
|---------------------------|----------|---------|--------------|
| Principal | Interest | Total | Coverage (2) |
| 145,000 | 205,876 | 350,876 | 5.85 |
| 140,000 | 211,475 | 351,475 | 7.15 |
| 135,000 | 216,606 | 351,606 | 6.54 |
| 130,000 | 220,141 | 350,141 | 9.10 |
| 125,000 | 224,600 | 349,600 | 7.85 |
| 120,000 | 229,744 | 349,744 | 6.36 |
| 115,000 | 236,269 | 351,269 | 7.64 |
| 110,000 | 239,569 | 349,569 | 4.91 |
| 110,000 | 242,869 | 352,869 | 6.23 |
| 105,000 | 245,494 | 350,494 | 10.70 |

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

| Fiscal Year | Gross Revenues | Gross Expenses (1) | Net Revenue Available for Debt Service |
|-------------|-------------------|-----------------------|--|
| 2016 | 6,105,336 | 4,045,495 | 2,059,841 |
| 2015 | 6,868,215 | 3,411,300 | 3,456,915 |
| 2014 | 6,423,096 | 3,503,437 | 2,919,659 |
| 2013 | 6,854,219 | 3,417,056 | 3,437,163 |
| 2012 | 5,423,430 | 2,974,791 | 2,448,639 |
| 2011 | 4,712,079 | 3,210,507 | 1,501,572 |
| 2010 | 3,939,291 | 2,837,925 | 1,101,366 |
| 2009 | 3,602,250 | 3,264,599 | 337,651 |
| 2008 | 3,823,755 | 3,176,618 | 647,137 |
| 2007 | 3,965,677 | 3,320,370 | 645,307 |

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

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

Source: City of Coachella

| Debt Service Requirements | | | |
|---------------------------|----------|---------|--------------|
| Principal | Interest | Total | Coverage (2) |
| 410,000 | 340,275 | 750,275 | 2.75 |
| 405,000 | 348,475 | 753,475 | 4.59 |
| 395,000 | 356,575 | 751,575 | 3.88 |
| 315,000 | 200,461 | 515,461 | 6.67 |
| 300,000 | 530,713 | 830,713 | 2.95 |
| 290,000 | 541,729 | 831,729 | 1.81 |
| 280,000 | 555,188 | 835,188 | 1.32 |
| 270,000 | 563,963 | 833,963 | 0.40 |
| 265,000 | 571,913 | 836,913 | 0.77 |
| 260,000 | 578,413 | 838,413 | 0.77 |

City of Coachella
 Direct and Overlapping Bonded Debt (unaudited)
 As of June 30, 2016

2015-16 Assessed Valuation: \$ 1,589,677,642

OVERLAPPING TAX AND ASSESSMENT DEBT:

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

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

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

OVERLAPPING TAX INCREMENT DEBT (Successor Agency):

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

 GROSS COMBINED TOTAL DEBT
 NET COMBINED TOTAL DEBT

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping District's assessed value that is within the boundaries of the City divided by the District's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2015-2016 Assessed Valuation:

| | |
|--|--------------|
| Total Overlapping Tax and Assessment Debt..... | 3.01% |
| Total Direct Debt (\$6,090,000)..... | 0.00% |
| Gross Combined Total Debt | 6.15% |
| Net Combined Total Debt | 6.15% |

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

| | |
|---|-------|
| Total Overlapping Tax Increment Debt..... | 5.06% |
|---|-------|

Source: MuniServices LLC

| Total Debt 06/30/16 | | % Applicable | City's Share of Debt 6/30/16 |
|------------------------|-------------|-----------------|---------------------------------|
| \$ | 283,391,384 | 2.223% | \$ 6,299,790 |
| | 219,056,138 | 16.856% | 36,924,103 |
| | 329,215,000 | 0.303% | 997,521 |
| | | | <u>\$ 44,221,415</u> |
| \$ | 889,831,745 | 0.667% | \$ 5,935,178 |
| | 304,520,000 | 0.667% | 2,031,148 |
| | 935,000 | 0.667% | 6,236 |
| | 41,525,000 | 16.856% | 6,999,454 |
| | 55,780,000 | 0.303% | 169,013 |
| | - | 100.000% | - (1) |
| | 1,368,228 | 3.514% | 48,080 |
| | | | <u>\$ 15,189,110</u> |
| | | | 41,600 |
| | | | <u>\$ 15,147,510</u> |
| \$ | 331,593,028 | 0.027-100% | \$ 38,341,110 |
| | | | \$ - |
| | | | \$ 97,751,633 |
| | | | \$ 97,710,033 |
| | | | \$ 97,751,633 (2) |
| | | | \$ 97,710,033 |

City of Coachella
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Personal Income (amounts expressed in thousands) | Per Capita Personal Income (3) | Employed (2) | Unemployed (2) |
|-------------|----------------|---|--------------------------------------|--------------|----------------|
| 2006-07 | 35,449 | ** | ** | 10,400 | 900 |
| 2007-08 | 38,486 | ** | ** | 10,700 | 1,200 |
| 2008-09 | 40,517 | ** | ** | 10,400 | 1,900 |
| 2009-10 | 41,043 | ** | ** | 9,800 | 2,600 |
| 2010-11 | 41,502 | ** | ** | 9,600 | 2,700 |
| 2011-12 | 41,904 | ** | ** | 10,200 | 2,500 |
| 2012-13 | 42,784 | 522,778 | 12,219 | 10,200 | 2,400 |
| 2013-14 | 43,633 | 524,512 | 12,021 | 10,500 | 2,100 |
| 2014-15 | 43,917 | | 11,874 | 16,300 | 1,700 |
| 2015-2016 | 45,407 | ** | 12,321 | 16,700 | 1,900 |

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

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

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

** Data unavailable

Source (1) (2): MuniServices LLC

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

Source (3): U.S. Census Bureau

Source (3): U.S. Census Bureau

| *Public School Enrollment | County Unemployment Rate (%) (2) | City Unemployment Rate (%) (2) | County Population (1) | City Population (% of County) |
|---------------------------|----------------------------------|--------------------------------|-----------------------|-------------------------------|
| 16,418 | 5.0% | 8.3% | ** | ** |
| 17,499 | 6.0% | 10.4% | ** | ** |
| 18,203 | 8.5% | 15.3% | ** | ** |
| 17,499 | 13.6% | 21.1% | 2,109,882 | 1.9% |
| 18,464 | 14.0% | 21.7% | 2,217,778 | 1.9% |
| 18,406 | 12.7% | 19.9% | 2,227,577 | 1.9% |
| 18,720 | 12.3% | 19.3% | 2,255,059 | 1.9% |
| 18,850 | 10.3% | 16.4% | 2,279,967 | 1.9% |
| 18,878 | 6.2% | 9.6% | 2,308,441 | 1.9% |
| 18,862 | 6.7% | 10.4% | 2,347,828 | 1.9% |

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

| Business Name | 2015-16 | | 2006-07 | |
|--|---------------------|---------------------------------|---------------------|---------------------------------|
| | Number of Employees | Percent of Total Employment (%) | Number of Employees | Percent of Total Employment (%) |
| Spotlight 29 Casino | 600 | 3.33% | 800 | 6.30% |
| Coachella Valley Unified School District (1) | 560 | 3.11% | 532 | 4.19% |
| Augustine Casino | 400 | 2.22% | 428 | 3.37% |
| Earnie Ball/Paladar | 326 | 1.81% | 262 | 2.06% |
| Esterline Defense (formerly Armtec Industry) | 238 | 1.32% | 315 | 2.48% |
| Coachella Valley Water District | 199 | 1.11% | 290 | 2.28% |
| Teserra (formerly California Pools) | 136 | 0.76% | 320 | 2.52% |
| Cardenas | 128 | 0.71% | 122 | 0.96% |
| Coca-Cola Enterprises | 105 | 0.58% | | |
| Valley Pride (2) | 102 | 0.57% | 400 | 3.15% |
| Sun World | | | 200 | 1.57% |
| Total Top 10 Employers | 2,794 | 15.52% | 3,669 | 28.89% |
| Total City Labor Force (3) | 18,000 | | 12,700 | |

Results based on direct correspondence with city's local businesses.

- 1) Previous count was district wide, current count includes schools in Coachella only.
- 2) Count is at peak of season during harvest (Nov-March), otherwise count is 300
- 3) Total City Labor Force provided by EDD Labor Force Data.

Source: MuniServices, LLC

City of Coachella
 Ten Year Staffing History (Full Time Equivalents)

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

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

Source: City of Coachella

| <u>2009-10</u> | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 2.05 | 2.05 | 2.05 | 3.80 | 4.30 | 3.80 | 4.30 |
| 2.25 | 3.50 | 3.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| 2.60 | 3.60 | 3.60 | 3.50 | 3.50 | 3.50 | 4.50 |
| 3.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 2.00 | 1.00 | 1.00 | 2.00 | 3.00 | 3.00 | 5.00 |
| 17.50 | 19.25 | 19.25 | 17.90 | 17.20 | 15.20 | 20.93 |
| 3.00 | 2.00 | 2.00 | 3.00 | 4.00 | 4.00 | 4.00 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 8.05 | 8.05 | 8.05 | - | - | - | - |
| 13.20 | 13.20 | 13.20 | 14.40 | 14.25 | 13.75 | 15.13 |
| 13.35 | 12.35 | 13.35 | 14.90 | 14.25 | 14.25 | 14.64 |
| <u>69.00</u> | <u>72.00</u> | <u>72.00</u> | <u>70.00</u> | <u>71.00</u> | <u>68.00</u> | <u>79.00</u> |

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

| Function | Fiscal Year | | | |
|------------------------|-------------|-------------|-------------|-------------|
| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Public safety | | | | |
| Police | | | | |
| Substations | 1 | 1 | 1 | 1 |
| Service hours | 110 | 110 | 110 | 90 |
| Fire stations | 1 | 1 | 1 | 1 |
| Personnel (full time) | 18 | 18 | 11 | 11 |
| Support personnel | 20 | 20 | 20 | 20 |
| Highways and streets | | | | |
| Streets (miles) | 65 | 104 | 104 | 109 |
| Streetlights | 804 | 1,892 | 1,892 | 1,893 |
| Culture and recreation | | | | |
| Parks acreage | 61 | 61 | 61 | 61 |
| Parks | 7 | 7 | 7 | 7 |
| Swimming pools | 2 | 2 | 2 | 2 |
| Tennis courts | 2 | - | - | - |
| Basketball courts | - | 4 | 4 | 4 |
| Community centers | 1 | 1 | 1 | 1 |
| Water | | | | |
| Water meters active | 4,216 | 7,123 | 7,208 | 7,255 |
| Fire hydrants | 35 | 537 | 537 | 537 |
| Sanitary | | | | |
| Plants | 1 | 1 | 1 | 1 |
| (capacity/gallons) | 2,400,000 | 4,500,000 | 4,500,000 | 4,500,000 |

Source: City of Coachella

| <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | 1 | - | - | - | - |
| 90 | 90 | 90 | 90 | 90 | 90 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 11 | 11 | 11 | 13 | 13 | 13 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 115 | 115 | 115 | 108 | 109 | 109 |
| 1,894 | 1,894 | 1,894 | 1,788 | 1,809 | 1,809 |
| 61 | 61 | 89 | 89 | 89 | 89 |
| 7 | 7 | 7 | 8 | 8 | 8 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| - | - | - | - | - | - |
| 4 | 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 2 | 2 | 2 |
| 7,278 | 7,743 | 7,776 | 7,917 | 8,699 | 8,322 |
| 537 | 537 | 546 | 546 | 550 | 550 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 4,500,000 | 4,500,000 | 4,500,000 | 4,500,000 | 4,500,000 | 4,500,000 |

City of Coachella
Operating Indicators by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | |
|---|-------------|-------------|-------------|-------------|
| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Police (based on calendar year) ** | | | | |
| Murder | 2 | 3 | 4 | 2 |
| Rape | 2 | 4 | 9 | 3 |
| Robbery | 73 | 41 | 64 | 74 |
| Assaults (aggravated) | 225 | 140 | 178 | 114 |
| Burglary | 380 | 360 | 479 | 551 |
| Auto Theft | 430 | 308 | 297 | 405 |
| Larceny Theft | 750 | 673 | 578 | 667 |
| Arson | 8 | 8 | 10 | 11 |
| Fire | | | | |
| Average Response Time (minutes) | 4.2 | 4 | 3.5 | 3.3 |
| Structural Fires | 125 | 66 | 41 | 25 |
| Commercial Fires | 38 | 28 | 15 | 3 |
| Other Fires | 400 | 203 | 118 | 85 |
| Medical aids | 1568 | 1086 | 1212 | 1239 |
| Traffic Collisions | 93 | 51 | 121 | 139 |
| Water | | | | |
| New connections | 240 | 322 | 85 | 47 |
| Average daily consumption (gallons) | 7,784,986 | 3,434,453 | 3,297,075 | 3,165,192 |
| Wastewater | | | | |
| Average daily sewage treatment (gallons) | 2,470,000 | 2,500,000 | 2,516,125 | 2,532,354 |

** Data based on January - October

Source: City of Coachella

| <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | 4 | 2 | 3 | 6 | 4 |
| 5 | 8 | 4 | 4 | 4 | 4 |
| 76 | 61 | 54 | 57 | 55 | 51 |
| 194 | 168 | 124 | 82 | 99 | 96 |
| 467 | 373 | 418 | 306 | 241 | 200 |
| 258 | 293 | 352 | 326 | 203 | 236 |
| 972 | 650 | 738 | 646 | 708 | 802 |
| 6 | 8 | 9 | 4 | 3 | 0 |
| 3.2 | 3.7 | 3.6 | 3.9 | 3.7 | 3.9 |
| 14 | 17 | 20 | 15 | 23 | 14 |
| 3 | 3 | 7 | 0 | 2 | 1 |
| 76 | 114 | 130 | 71 | 87 | 116 |
| 1104 | 1568 | 1610 | 1591 | 1884 | 1731 |
| 136 | 213 | 197 | 195 | 252 | 234 |
| 23 | 53 | 153 | 134 | 27 | 25 |
| 3,165,192 | 7,353,443 | 7,135,287 | 6,297,187 | 6,022,370 | 5,600,000 |
| 2,532,354 | 2,810,891 | 2,717,800 | 2,765,000 | 2,684,000 | 2,534,000 |