

CITY OF COACHELLA, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2017

City of Coachella, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017



Prepared By:

The City of Coachella Finance Department

City of Coachella, California
Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2017

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INTRODUCTORY SECTION



December 9, 2017

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Coachella, California. We are pleased to present the City of Coachella Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This transmittal letter provides a non-technical summary of the City's finances, services, achievements, and economic prospects.

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, 2017. 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 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, 2017, was conducted by Munger & Company, CPAs 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, 2017, 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 immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis 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 Coachella 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 45,551 as of January 2017. In addition, Coachella's stability is evidenced by its unusually high rate of nearly 62.8% home ownership, based on available FactFinder Census data for 2011-2015.

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 Councilmembers.

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 2016-2017 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 \$7.80 million; an increase of \$.1 million compared to previous year. The increase was due to a full fiscal year collection of the 1% Sales Tax, while previous fiscal year, only three quarters were collected. The top five economic segments producing sales taxes were, in descending order, Service Stations, Restaurants, Auto Parts/Repair, Food Processing Equipment, Auto Sales-Used, and Miscellaneous.

According to the State of California Employment Development Department (EDD), as of October 2017, the total workforce for the City of Coachella is 19,100 of which 17,400 were employed. The unemployment rate was 8.8%.

The General Fund ended the year with a fund balance of \$11 million. Of the total, \$4.50 million is non-spendable, \$.001 million is restricted, \$1.9 million is committed, \$.0005 million is assigned, and \$4.63 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 is the City's ability to hold down costs while maintaining acceptable levels of service. As an example of this, Riverside County Sheriff's Department has increased the cost of its contract with the City at approximately 10% per year since FY 2014 while the California Department Forestry and Fire Protection (CALFIRE)/County Fire has increased its cost but to a lesser extent.

MAJOR INITIATIVES

Capital Improvement Projects:

During fiscal year 2016-2017, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2016-17 fiscal year included: Coachella permit building, Coachella library, Chromium 6 treatment technology, Safe routes to school, Street improvements and traffic signs Ave 54 improvement, Street Calming Improvements, Traffic signal synchronization, Improvement to parks – Veterans Park and Cesar Chavez Park, and 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 decreased from 60 units in FY 2015/2016 to 35 units in FY 2016/2017, a decrease of 42%.

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 \$5.5 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 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 2016, California became the 6th largest economy in the world and grew last year at a 2.9 percent growth rate, nearly double the U.S. average, and the seventh best of the states.

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 reasonably, 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.

Blended Component Units:

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

General Governmental Functions:

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

The City's enterprise operations consist of refuse, water, and sanitary funds. The last two funds fall under the management and control of the City Council acting as Board Members and the Refuse Fund is under the direct management of the City Council. The Water Fund's operating revenues totaled \$6.98 million and operating expenses totaled \$5.64 million for the fiscal year 2016-2017. The Water Fund's net asset balance at June 30, 2017, was \$24.02 million of which \$18.07 million were invested in capital assets net of related debt, \$5.97 million was committed for construction, and \$.14 million was unassigned.

The Sanitary Fund's operating revenues totaled \$5.76 million and operating expenses totaled \$4.67 million for the fiscal year 2016-2017. The Sewer Fund's net asset balance at June 30, 2017, was \$14.78 million comprising of \$11.29 million invested in capital assets net of related debt, \$5.88 million restricted, and \$(2.82) 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 have 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, 2016. This was the 5th 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**

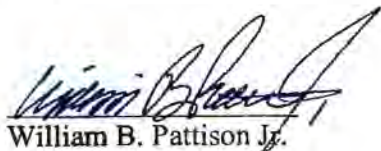
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

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.
City Manager



Ruben Ramirez
Accounting Manager

CITY OF COACHELLA

List of Principal Officials
As of June 30, 2017

City Council - Manager Form of Government

CITY COUNCIL

STEVEN HERNANDEZ
Mayor

MANUEL PÉREZ
Mayor Pro Tem

BETTY SANCHEZ
Council Member

EMMANUEL MARTINEZ
Council Member

PHILIP BAUTISTA
Council Member

CITY ADMINISTRATION

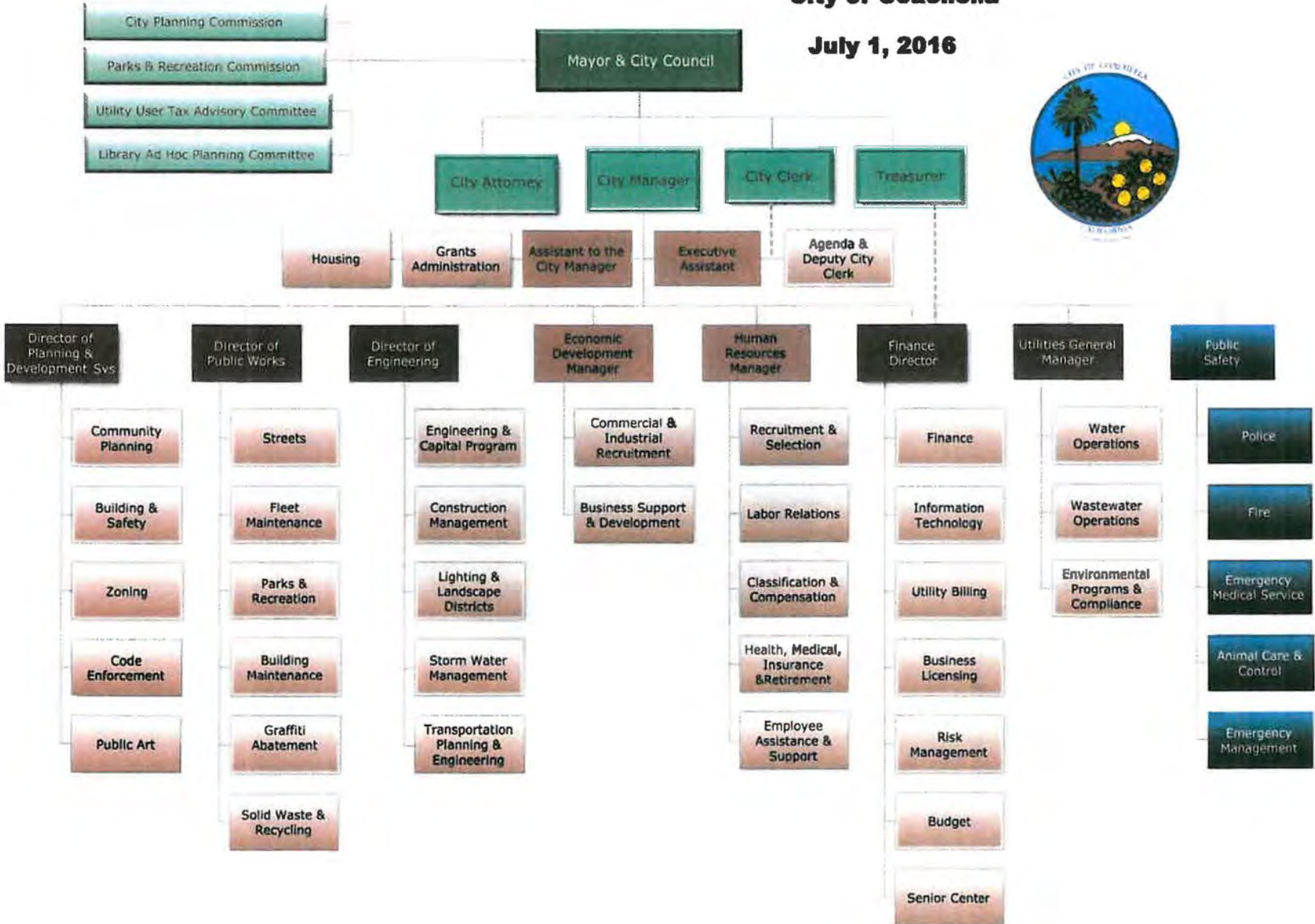
WILLIAM B. PATTISON JR.
City Manager

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

Carlos Campos
Arturo Aviles
Angela Zepeda
Luis Lopez
Roy Grace
Jonathan Hoy
Bonifacio De La Cruz
Maritza Martinez
Scott Rogers

City of Coachella

July 1, 2016





FINANCIAL SECTION

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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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 72-73, 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 9, 2017, 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 9, 2017



Munger & 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 the 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, 2017. Management's Discussion and Analysis provides readers with basic overview of the financial results and financial position of the City of Coachella. 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 \$216.62 million (*net position*). Of this amount, \$183.42 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$16.95 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 \$3.16 million between FY 2016 and FY 2017. During the period total revenues equaled \$47.73 million, a decrease of \$6.07 million over the fiscal year 2016 and expenses totaled \$44.57 million a \$5.42 million increase over the same time period. The governmental activities total net position decreased by \$11.50 million and the business-type total net position increased by \$1.02 million. The increase in the Business-type activities was essentially due to a \$1.34 million increase in Charge for Services income resulted from the end of State of California mandatory water rationing order. The decrease in the governmental activities was due to a \$5.8 million in Capital grants and contributions income received over the fiscal year 2015-16 due to a decrease in activity of capital projects; a decrease of \$1.05 million of operating grants; while the City experience a \$.1 million increase in Sales and Use Tax mainly due to the implementation of Measure "U", additional 1% Sales Tax. The increase was due to a full fiscal year collection of the 1% Sales Tax, while previous fiscal year, only three quarters were collected.

The close of the fiscal year 2016-17, the City of Coachella's governmental funds reported combined ending fund balances of \$28.07 million, an increase of \$7.66 million in comparison with the prior year. The unassigned fund balance is \$.91 million. The primary reason for the increase is due to the increase in Coachella Lease Bonds proceeds.

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, development impact fund, ECD entitlement fund, HOME program fund, capital projects fund, and Revenue Lease Bonds Debt Service 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 \$216.62 million at the close of the fiscal year. By far the largest *portion* of the City’s net assets, \$183.42 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 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Current and restricted assets	41,827,475	33,946,241	\$ 16,506,086	\$ 16,229,214	\$ 58,056,688	\$ 50,175,454
Capital assets	173,168,066	164,154,000	\$ 67,376,477	\$ 69,299,957	\$ 242,468,023	233,453,957
Total Assets	214,995,541	198,100,240	83,882,563	85,529,171	300,524,711	283,629,411
Deferred Outflows of Resource	1,451,236	452,811	1,388,946	756,804	2,208,040	1,209,615
Long-term debt outstanding	29,982,094	14,236,080	45,062,820	46,095,955	76,078,049	60,332,036
Other liabilities	8,393,067	8,711,072	1,662,867	1,184,580	9,577,647	9,895,652
Total Liabilities	38,375,160	22,947,153	46,725,687	47,280,535	85,655,696	70,227,688
Deferred Inflows of Resources	-	646,976	-	502,436	502,436	1,149,412
Net assets:						
Invested in capital assets,						
Net of related debt	154,052,156	157,898,999	29,366,927	29,332,671	183,384,827	187,231,670
Restricted	4,388,441	4,053,609	11,854,918	11,783,670	16,172,111	15,837,279
Unrestricted	19,631,018	13,006,316	(2,676,021)	(2,613,339)	17,017,679	10,392,977
Total Net Position	\$ 178,071,615	\$ 174,958,924	\$ 38,545,824	\$ 38,503,002	\$ 216,574,617	\$ 213,461,926

The City’s net position increased by \$3.16 million or 1.48 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 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
REVENUES:						
Program Revenues:						
Charges for services	4,263,422	3,383,954	12,740,472	11,402,899	17,003,894	14,786,854
Operating grants and contributions	5,453,000	6,505,798			5,453,000	6,505,798
Capital grants and contributions	6,234,788	12,079,607			6,234,788	12,079,607
General Revenues:						
Property taxes	5,287,392	4,944,626	140,354	122,031	5,427,746	5,066,657
Sales and Use Tax	7,805,334	7,699,986	-	-	7,805,334	7,699,986
Gas Tax	1,057,035	933,945	-	-	1,057,035	933,945
Motor Vehicle In Lieu Tax	243,798	241,347	-	-	243,798	241,347
Franchise Taxes	811,570	725,654	-	-	811,570	725,654
Real Property Transfer Taxes	333,551	273,002	-	-	333,551	273,002
Transient Occupancy Tax	14,475	6,421	-	-	14,475	6,421
Utility Users Tax	2,431,579	2,305,909	-	-	2,431,579	2,305,909
Interest and rental income	32,899	240,638	(24,730)	191,418	8,169	432,056
Other revenues	900,844	1,595,993	-	-	900,844	1,595,993
TOTAL REVENUES	34,869,685	40,936,882	12,856,096	11,716,348	47,725,781	52,653,230
EXPENSES						
General government	8,026,847	4,251,235			8,026,847	4,251,235
Public safety	12,750,240	11,972,181			12,750,240	11,972,181
Public works	8,376,964	8,553,492			8,376,964	8,553,492
Parks & recreation	3,276,680	2,547,807			3,276,680	2,547,807
Interest on long-term debt	595,177	284,159			595,177	284,159
Operating expenses	-	-	11,544,360	11,408,814	11,544,360	11,408,814
TOTAL EXPENSES	33,025,908	27,608,874	11,544,360	11,408,814	44,570,268	39,017,688
Net transfers	1,268,912	1,280,352	(1,268,912)	(1,280,352)	-	0
INCREASE (DECREASE) IN NET POSITION	3,112,689	14,608,360	42,825	(972,818)	3,155,514	13,635,542
BEGINNING NET POSITION	174,958,925	160,350,565	38,503,002	39,475,819	213,461,927	199,826,384
PRIOR PERIOD ADJUSTMENT						
ENDING NET POSITION	\$ 178,071,615	\$ 174,958,925	\$ 38,545,826	\$ 38,503,002	\$216,617,440	\$213,461,926

Governmental activities: Governmental activities increased the City's net assets by \$3.11 million. Key elements of this increase are as follows:

While total revenues decreased \$6.07 million, the city saw an increase in charges for services of \$.88 million, an increase in property taxes of \$.34 million, an increase in sales and use tax of \$.10 million, and increase in gas tax of \$.12 million, an increase on franchise taxes of \$.085 million, an increase in transfer taxes of \$.06 million, an increase in utility users tax of \$.12 million, and decrease in operating grants of \$1.05 million, a decrease in capital grants and contributions of \$5.84 million which made up most of the decrease in revenues, a decrease in interest and rental income of \$.20 million, and a decrease in other revenues of \$.70 million.

Total expenses from governmental activities increased by \$5.42 million during the fiscal year. One of the major increases was seen by General Government of \$3.77 million, and was due to an increase in the pension liability of \$2.4, an increase in OPEB obligation of \$.18 million, an increase in public safety of \$.79 million due to the increase of cost in Police and Fire services with the County of Riverside, an increase in parks and recreation of \$.73 million due to an increase of cost of maintenance of parks, and an increase in long term debt of \$.31 million due to the recently issued Coachella Lease Bonds for the construction of the new Coachella Library.

Business-type Activities: Business-type increase its net position by \$.43 million. Business-type revenues increased \$1.14 million. The increase was due to the lift of the State of California mandatory water rationing order, an increase in property taxes of \$.018 million, and a decrease in interest and rental income of \$.21 million. Expenses increased \$.14 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 \$28.07 million, an increase of \$7.66 million in comparison with the prior year. Of the \$28.07 million total, \$4.51 million constitutes non-spendable reserves, which means that these reserves are not available to fund operating expenditures of the organization; \$4.39 million are restricted fund balances which are the result of external limitations on spending; \$17.32 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; \$.94 million are assigned fund balances which are amounts constrained for use of specific purpose; the remainder of \$.91 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 \$4.63 million, while the total general fund balance was \$11.04 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 51.20 percent of the total budgeted expenditures.

The 2016-2017 fund balance of the City's general fund is a net total of \$11.04 million which is an increase of \$1.18 million from 2015-2016. General fund revenues are \$20.82 million with expenses at \$19.40 million which is an excess of \$1.42 million of revenues over expenditures. Other financing uses reduced the fund balance by \$.24 million which brings the net change in fund balance for the year to \$1.18 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 \$(-.36) million, a decrease of \$4.39 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 \$38.55 million. The Water Authority accounted for \$24.18 million of this total with the Sanitary District accounting for the remaining \$14.36 million.

The *Coachella Water Authority's* net position increased \$.74 million or over the fiscal year 2015-16. During the year, the Authority had total revenues and other financing sources of \$6.96 million and expenses and other financing uses of \$6.15 million. The Authority's total revenues/other financing sources increased \$.86 million or 14.02 percent over the previous fiscal year, while expenses/other financing uses decreased \$.20 million or 3.34 percent.

The *Coachella Sanitary District's* net position increased \$.35 million over the fiscal year 2015-16. The District had revenues and other financing sources of \$5.89 million and expenses and other financing uses of \$5.39 million. Revenues/other financing sources increased \$.28 million or 5.06 percent while expenses/other financing uses decreased \$.06 million or 1.17 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, 2017, amounts to \$240.54 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 \$7.18 million or 3.07 percent over the previous year.

City of Coachella's Capital Assets Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Land	\$ 14,530,825	\$ 14,422,131	\$ 887,772	\$ 887,772	\$ 15,418,597	\$ 15,309,903
Buildings & Improvements	4,412,063	4,670,453	612,683	484,395	5,024,746	5,154,848
Construction In Progress	12,395,518	36,236,979	966,217	528,336	13,361,735	36,765,315
Machinery & Equipment	804,753	814,566	2,021,650	2,500,183	2,826,403	3,314,749
Infrastructure	141,024,907	108,009,871	62,888,155	64,814,795	203,913,062	172,824,666
Totals	\$ 173,168,066	\$ 164,154,000	\$ 67,376,477	\$ 69,215,481	\$ 240,544,543	\$ 233,369,481

Governmental activities –

• Machinery and Equipment	\$148,196
• Buildings	\$3,3436,924
• Bridges	\$1,934,011
• Sidewalks	\$111,856
• Street improvements/rehab	\$1,547,355
• Traffic signal synchronization	\$2,257,800
• Parks	\$4,141,047

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 \$1.45 million in deferred amounts from pension related debt compared to \$.45 million the previous year, an increase of \$1 million or 220.49 percent.

The Water business type activity had \$.17 million in deferred amounts from refunding of debt compared to \$.18 million the previous year, a decrease of \$.01 million or 5.88 percent. In addition, \$.51 million in deferred amounts from pension related debt compared to \$.18 the previous year, an increase of \$.32 million or 187.33 percent.

The Sanitary business type activity had \$.22 million in deferred amounts from refunding of debt compared to \$.23 the previous year, a decrease of \$.01 million or 5 percent. In addition, it had \$.50 million in deferred amount from related pension debt compared to \$.18 million previous year, an increase of \$.33 million or 184.64 percent.

The fiduciary fund had \$.038 million in deferred amounts from refunding compared to \$.041 million the previous year, a decrease of \$.003 million or 8.33 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 \$ 0 million in deferred amounts from pension related debt compared to \$.65 million previous year a decrease of \$.65 or 100 percent.

The Water business-type activity had \$ 0 million in deferred amount from pension related debt compared to \$.25 previous year, a decrease of \$.25 million or 100 percent.

The Sanitary business-type activity had \$ 0 million in deferred amount from pension related debt compared to \$.25 million previous year a decrease of \$.25 million or 100 percent.

The fiduciary fund had \$.49 million of deferred inflows from refunding debt compared to \$.53 the previous year a decrease of \$.04 million or 7.41 percent

City of Coachella's Deferred Outflows/Inflows of Resources

Deferred amounts from	Governmental Activities		Business Type Activities				Fiduciary Type Activities		Total	
			Water		Sanitary					
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Refunding of debt										
Deferred Outflows	\$ -	\$ -	\$ 167,360	\$ 177,820	\$ 215,993	\$ 227,361	\$ 37,580	\$ 40,997	\$ 420,933	\$ 446,178
Deferred Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (486,954)	\$ (525,910)	\$ (486,954)	\$ (525,910)
Pension Related Debt										
Deferred Outflows	\$ 1,451,236	\$ 452,811	\$ 505,630	\$ 175,978	\$ 499,963	\$ 175,645	\$ -	\$ -	\$ 2,456,829	\$ 804,434
Deferred Inflows	\$ -	\$ (646,976)	\$ -	\$ (251,432)	\$ -	\$ (251,004)	\$ -	\$ -	\$ -	\$ (1,149,412)
Totals	1,451,236	(194,165)	672,990	102,366	715,956	152,002	(449,374)	(484,913)	2,390,808	(424,710)

Long-term debt: At the end of the current fiscal year, the City's governmental activities had \$29.98 million in bonds, notes payable, contracts, and compensated absences compared to \$14.24 million the previous year, an increase of \$15.75 million or 111 percent. Business type activities had \$45.06 million in bonds, notes payable, contracts and compensated absences compared to \$46.10 million last year, a decrease of \$1.03 million or 2.24 percent. See independent auditor's report Note 6 Long-Term Liabilities.

City of Coachella's Long-term Debt

	Governmental Activities		Business-Type Activities	
	FY 2017	FY 2016	FY 2017	FY 2016
Compensated Absences	\$ 620,938	\$ 645,195	\$ 345,446	\$ 361,916
Coachella Lease Bonds	11,795,000	-	-	-
Bond Premium	235,387	-	-	-
Certificates of Participacion	5,920,000	6,090,000	-	-
Claims Payable	603,670	461,825	-	-
Net Pension Liability	8,435,401	6,020,364	5,533,338	4,675,370
OPEB Obligation	1,206,174	1,018,696	791,133	686,201
Loans Payable	1,165,523	-	15,991,898	17,214,035
Revenue Bonds and Notes	-	-	22,401,005	23,158,435
Totals	\$ 29,982,093	\$ 14,236,080	\$ 45,062,820	\$ 46,095,956

	Fudiciary Fund Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016
Compensated Absences	\$ -	\$ -	\$ 966,384	\$ 1,007,111
Coachella Lease Bonds	-	-	\$ 11,795,000	\$ -
Bond Premium	-	-	\$ 235,387	-
Certificates of Participacion	-	-	5,920,000	6,090,000
Claims Payable	-	-	603,670	461,825
Pension related debt	-	-	13,968,739	10,695,735
OPEB obligation	-	-	1,997,307	1,704,897
Contracts & leases payable	-	-	17,157,421	17,214,035
Revenue bonds and notes	38,530,058	40,096,944	60,931,063	63,255,379
Totals	\$ 38,530,058	\$ 40,096,944	\$ 113,574,972	\$ 100,428,982

Economic Factors and Next Year's Budget

The City of Coachella continues to see economic stability and expansion. The U.S. economy is hitting milestones not seen in more than a decade, marked by robust hiring that has led to low unemployment and a sustained pickup in output. Steady hiring has in turn driven the unemployment rate down to 4.1% for two straight months, holding at a 17-year low. California is the chief reason America is the only developed economy to achieve record GDP growth since the financial crisis of 2008 and ensuing global recession, according to data compiled by Bloomberg. Much of the U.S. growth can be traced to California laws promoting clean energy, government accountability and protections for undocumented people.

The city's aggressive pursuit of both government funding for infrastructure improvement, as well as pursuing new business opportunities for the positive outlook. The city has several development projects in the works, including the major La Entrada development. The City has also been smart in their pursuit of emerging industries, including opportunities in the emerging cannabis industry and hotel industry. The first hotel is set to open for business in the Spring 2018, when phase one is completed, allowing the City to capitalize on the lucrative music festival business in the Coachella Valley. The hotel will be located on the southeast corner of Van Buren Street and Avenue 48, the 160,000-square-foot hotel will offer visitors a unique, California Desert luxury experience.

In 2017-2018 the City of Coachella plans to spend \$31 million on capital improvement, many of them with a focus of creating safer routes to school for children. The funding comes for federal, state, and regional grants, local Measure A, and gas taxes. Some of the projects that the City of Coachella will be working on fiscal year 2017-2018 are as follows:

- Improvements along a half-mile of Avenue 48 from Van Buren Street to Dillon Road. This busy street, which carries more than 15,000 vehicles a day, will be widened from two lanes to five. Other improvements include new traffic signals and street lighting, installation of curbs, gutters, sidewalks, curb ramps, driveway and bike lanes, as well as drainage and landscaping.
- Sidewalk improvements on Education Way and Van Buren Street are underway as part of the Safe Routes to School program, which uses federal and state funding to make it easier for children to walk and ride bikes to school.
- The Cesar Chavez Memorial Monument is nearly complete! The steel memorial at Del Oro Park, at the corner of Avenue 50 and Avenida Del Oro, is 18 feet tall and 36 feet wide, and features the Aztec eagle of the United Farm Workers flag. Chavez had strong ties to the Coachella Valley and worked out of the United Farm Workers office in downtown Coachella in the 1960s. The cost of the \$200,000 sculpture was covered almost entirely by a California Department of Housing and Community Development grant.
- The City of Coachella will recondition an additional building, which will house the Planning Division, Building Division, Code Enforcement Division, and Engineering Division. Property owners, business owners, design professionals, and residents will be able to process any permit and pay in the same building.

Sales Tax: The City continues to experience growth in sales tax revenues. Sales tax revenues had an increase of \$.11 million compared to the fiscal year 2015-16. During the fiscal year 2016-17, Sales Tax Revenue was \$7.80 million; the largest increases were realized in Service Station, Auto Parts/Repair, Food Processing Equipment, Auto Sales-used, and miscellaneous. 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 2017-18 budget was approved with general fund revenue projections of \$22.75 million providing a balanced budget. Taxes of \$16.36 million, charges for services of \$.85 million, fines and forfeitures of \$.42 million, and intergovernmental of \$.71 million are expected to be the major contributors in the fiscal year surplus of \$.90 million.

Expenditure Outlook: The fiscal year 2017-18 will see general fund expenditures budgeted at \$21.84 million. The Public Safety budget continues to dominate with a budget of \$10.44 million, which represents 47.78 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 \$3.6 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, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 17,906,167	\$ 3,470,521	\$ 21,376,688
Accounts Receivable	247,061	1,000,368	1,247,429
Loans Receivable, Net	4,826,536		4,826,536
Prepaid Expenses and Deposits	1,204,333	130,394	1,334,727
Due from Other Governments	5,149,259	49,886	5,199,145
Restricted Cash and Investments	12,494,119	11,854,918	24,349,037
Capital Assets Not Being Depreciated	26,926,343	1,853,989	28,780,332
Capital Assets, Net of Depreciation	146,241,723	65,522,488	211,764,211
Total Assets	<u>214,995,541</u>	<u>83,882,564</u>	<u>298,878,105</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount from Refunding of Debt	-	383,353	383,353
Deferred Amount from Pension	1,451,236	1,005,593	2,456,829
Total Deferred Outflows of Resources	<u>1,451,236</u>	<u>1,388,946</u>	<u>2,840,182</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	5,141,449	868,221	6,009,670
Deposits and Other Liabilities	228,729	379,453	608,182
Due to Other Governments	1,517,243		1,517,243
Unearned Revenue	1,453,768		1,453,768
Interest Payable	51,880	415,192	467,072
Long-term Liabilities:			
Due Within One Year	1,143,224	2,168,797	3,312,021
Due in More than One Year	28,838,869	42,894,023	71,732,892
Total Liabilities	<u>38,375,162</u>	<u>46,725,686</u>	<u>85,100,848</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	-	-	-
NET POSITION			
Net Investment in Capital Assets	154,052,156	29,366,927	183,419,083
Restricted for:			
Low Income Housing	1,052,026		1,052,026
Highways and Streets	2,908,164		2,908,164
Other Purposes	428,251		428,251
Capital Projects		11,854,918	11,854,918
Unrestricted	19,631,018	(2,676,021)	16,954,997
Total Net Position	<u>\$ 178,071,615</u>	<u>\$ 38,545,824</u>	<u>\$ 216,617,439</u>

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Activities
For The Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 8,026,847	\$ 1,456,149	\$ 1,247,671	\$
Public Safety	12,750,240	948,496	1,265,181	
Public Works	8,376,964	1,800,199	2,940,148	6,234,788
Parks and Recreation	3,276,680	58,578		
Interest on Long-term Debt	595,177			
Total Governmental Activities	33,025,908	4,263,422	5,453,000	6,234,788
Business-type Activities:				
Water Utility	6,156,918	6,976,582		
Sewer Utility	5,387,442	5,763,890		
Total Business-type Activities	11,544,360	12,740,472	-	-
Total Primary Government	\$ 44,570,268	\$ 17,003,894	\$ 5,453,000	\$ 6,234,788

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>
\$ (5,323,027)	\$	\$ (5,323,027)
(10,536,563)		(10,536,563)
2,598,171		2,598,171
(3,218,102)		(3,218,102)
<u>(595,177)</u>		<u>(595,177)</u>
<u>(17,074,698)</u>	-	<u>(17,074,698)</u>
	819,664	819,664
	<u>376,448</u>	<u>376,448</u>
-	1,196,112	1,196,112
<u>(17,074,698)</u>	<u>1,196,112</u>	<u>(15,878,586)</u>
5,287,392	140,354	5,427,746
7,805,334		7,805,334
1,057,035		1,057,035
243,798		243,798
811,570		811,570
333,551		333,551
14,475		
2,431,579		2,431,579
32,899	(24,732)	8,167
900,844		900,844
<u>1,268,912</u>	<u>(1,268,912)</u>	-
<u>20,187,389</u>	<u>(1,153,290)</u>	<u>19,034,099</u>
3,112,691	42,822	3,155,513
<u>174,958,924</u>	<u>38,503,002</u>	<u>213,461,926</u>
<u>\$ 178,071,615</u>	<u>\$ 38,545,824</u>	<u>\$ 216,617,439</u>

The accompanying notes are an integral part of this statement.

City of Coachella
Balance Sheet
Governmental Funds
June 30, 2017

	Special Revenue			
	General Fund	State Gas Tax Fund	Development Impact Fund	HOME Program Income
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Cash and Investments	\$ 3,358,289	\$ 2,197,672	\$ 5,045,155	\$ 380,818
Receivables:				
Accounts Receivable	247,061			
Due from Other Governments	1,952,292			
Loans Receivable				3,850,090
Due from Other Funds	7,540,411			
Prepays and Deposits	1,133,582			
Restricted assets:				
Cash and Investments with Fiscal Agent				
Total Assets	<u>14,231,635</u>	<u>2,197,672</u>	<u>5,045,155</u>	<u>4,230,908</u>
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 14,231,635</u>	<u>\$ 2,197,672</u>	<u>\$ 5,045,155</u>	<u>\$ 4,230,908</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 3,033,702	\$	\$ 46,840	\$
Deposits and Other Liabilities	101,832		126,897	
Due to Other Governments				
Due to Other Funds		553,199	5,231,500	
Unearned Revenue	58,728			3,850,090
Total Liabilities	<u>3,194,262</u>	<u>553,199</u>	<u>5,405,237</u>	<u>3,850,090</u>
Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	4,508,082			
Restricted	1,046	1,644,473		380,818
Committed	1,895,358		3,329,825	
Assigned	545			
Unassigned	4,632,342		(3,689,907)	
Total Fund Balances	<u>11,037,373</u>	<u>1,644,473</u>	<u>(360,082)</u>	<u>380,818</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,231,635</u>	<u>\$ 2,197,672</u>	<u>\$ 5,045,155</u>	<u>\$ 4,230,908</u>

The accompanying notes are an integral part of this statement.

City of Coachella
Balance Sheet
Governmental Funds
June 30, 2017

Special Revenue ECD Entitlement Program	Capital Project Capital Improvement Projects	Debt Service Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
\$ 2,912,887	\$ -	\$ -	\$ 4,011,346	\$ 17,906,167
				247,061
3,007,187			189,780	5,149,259
	3,158,057		976,446	4,826,536
		70,751	-	10,698,468
				1,204,333
		12,024,270	469,849	12,494,119
5,920,074	3,158,057	12,095,021	5,647,421	52,525,943
-	-	-	-	-
\$ 5,920,074	\$ 3,158,057	\$ 12,095,021	\$ 5,647,421	\$ 52,525,943
\$ -	\$ 1,288,344	\$ -	\$ 772,563	\$ 5,141,449
				228,729
1,505,641			11,602	1,517,243
3,007,187	1,869,713		36,869	10,698,468
1,395,040			1,569,492	6,873,350
5,907,868	3,158,057	-	2,390,526	24,459,239
-	-	-	-	-
				4,508,082
12,206			2,349,898	4,388,441
		12,095,021		17,320,204
			940,181	940,726
			(33,184)	909,251
12,206	-	12,095,021	3,256,895	28,066,704
\$ 5,920,074	\$ 3,158,057	\$ 12,095,021	\$ 5,647,421	\$ 52,525,943

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, 2017

Fund Balances of Governmental Funds	\$	28,066,704
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.		173,168,066
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.		5,419,582
Deferred Inflows and Outflows		
Deferred outflows related to pensions		1,451,236
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		(51,880)
Long-term Liabilities		(29,982,093)
Net Position of Governmental Activities	\$	178,071,615

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, 2017

	General Fund	Special Revenue		
		State Gas Tax Fund	Development Impact Fund	HOME Program Income
REVENUES				
Taxes	\$ 17,209,278	\$	\$	\$
Licenses, Permits and Fees	816,351			
Charges for Services	594,455			
Fines, Forfeitures and Penalties	602,642			
Intergovernmental	358,426	865,484		54,318
Developer Fees			1,800,199	
Special Assessments	941,246			
Investment Income	(2,071)		(6,502)	(512)
Other Revenue	299,972			
Total Revenues	20,820,299	865,484	1,793,697	53,806
EXPENDITURES				
Current:				
General Government	5,069,279			
Fire				
Community Development	595,967			
Building Department	191,422			
Engineering Department	598,721			
Public Safety - Police	8,238,225			
Public Safety - Animal Control	282,432			
Public Works	1,802,147	1,057,035	48,752	
Parks and Recreation	2,476,561			
Capital Outlay	146,390		12,381	
Debt Service:				
Principal Retirement			34,477	
Interest and Fiscal Charges			31,542	
Total Expenditures	19,401,144	1,057,035	127,152	-
Excess (Deficiency) of Revenues Over Expenditures	1,419,155	(191,551)	1,666,545	53,806
OTHER FINANCING SOURCES (USES)				
Transfers In	2,315,220			
Transfers Out	(2,557,861)	(150,870)	(6,055,454)	
Issuance of Long-term Debt				
Total Other Financing Sources (Uses)	(242,641)	(150,870)	(6,055,454)	-
Net Change in Fund Balances	1,176,514	(342,421)	(4,388,909)	53,806
Fund Balances, Beginning of Year	9,860,859	1,986,894	4,028,827	327,012
Fund Balances, End of Year	\$ 11,037,373	\$ 1,644,473	\$ (360,082)	\$ 380,818

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, 2017

Special Revenue ECD Entitlement Program	Capital Project Capital Improvement Projects	Debt Service Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
\$	\$	\$ -	\$ 775,454	\$ 17,984,732
				816,351
			34,491	628,946
5,671,196			1,097,134	602,642
				8,046,558
			2,548,355	1,800,199
		19,197	22,787	3,489,601
	587,472		13,399	32,899
				900,843
<u>5,671,196</u>	<u>587,472</u>	<u>19,197</u>	<u>4,491,620</u>	<u>34,302,771</u>
		74,174	6,853	5,150,306
			2,793,526	2,793,526
				595,967
				191,422
				598,721
				8,238,225
				282,432
			2,217,232	5,125,166
	13,323,611			2,476,561
				13,482,382
		355,000	170,000	559,477
		256,822	278,109	566,473
-	13,323,611	685,996	5,465,720	40,060,658
5,671,196	(12,736,139)	(666,799)	(974,100)	(5,757,887)
	12,736,139	611,820	1,946,041	17,609,220
(5,659,795)			(1,916,328)	(16,340,308)
		12,150,000	-	12,150,000
(5,659,795)	12,736,139	12,761,820	29,713	13,418,912
11,401	-	12,095,021	(944,387)	7,661,025
805	-	-	4,201,282	20,405,679
<u>\$ 12,206</u>	<u>\$ -</u>	<u>\$ 12,095,021</u>	<u>\$ 3,256,895</u>	<u>\$ 28,066,704</u>

The accompanying notes are an integral part of this statement.

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

Net Change in Fund Balances - Governmental Funds \$ 7,661,025

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	13,482,382
Depreciation	(4,468,316)

Revenues in the Statement of Activities that do not provide current financial resources are not reported in the Funds.	2,212,317
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Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.

Notes Payable	(1,200,000)
Bonds Payable	(12,150,000)
Bond Premium	(235,387)
Long-term Debt Principal Payments	559,477
Claims Payable	(141,845)
Pension Related Debt Payments	(2,415,037)
OPEB Obligation	(187,478)

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.

24,257

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	(28,704)
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Change in Net Position of Governmental Activities	\$ 3,112,691
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The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities		Totals
	Enterprise Funds		
	Water Authority	Sanitary District	
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,470,521	\$ -	\$ 3,470,521
Receivables:			
Accounts Receivable, Net	700,487	299,881	1,000,368
Due from Other Governments		49,886	49,886
Prepaid Bond Insurance	103,407	26,987	130,394
Restricted Assets:			
Restricted Cash and Investments with Fiscal Agent	5,970,914	5,884,004	11,854,918
Total Current Assets	<u>10,245,329</u>	<u>6,260,758</u>	<u>16,506,087</u>
Noncurrent Assets:			
Capital Assets Not Being Depreciated	1,364,146	489,843	1,853,989
Capital Assets Being Depreciated	60,855,825	62,158,652	123,014,477
Less: Accumulated Depreciation	(30,416,989)	(27,075,000)	(57,491,989)
Total Noncurrent Assets	<u>31,802,982</u>	<u>35,573,495</u>	<u>67,376,477</u>
Total Assets	<u>42,048,311</u>	<u>41,834,253</u>	<u>83,882,564</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount from Debt Refunding	167,360	215,993	383,353
Deferred Amount from Pension	505,630	499,963	1,005,593
Total Deferred Outflows of Resources	<u>672,990</u>	<u>715,956</u>	<u>1,388,946</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	643,202	174,782	817,984
Accrued Wages Payable	25,079	25,158	50,237
Deposits Payable	379,453		379,453
Interest Payable	237,823	177,369	415,192
Compensated Absences - Current Portion	85,597	97,057	182,654
Bonds Payable - Current Portion	497,801	239,246	737,047
Loans Payable - Current Portion		1,249,096	1,249,096
Total Current Liabilities	<u>1,868,955</u>	<u>1,962,708</u>	<u>3,831,663</u>
Noncurrent Liabilities:			
Compensated Absences - Less Current Portion	80,269	82,524	162,793
Net OPEB Obligation	398,862	392,271	791,133
Net Pension Liability	2,789,045	2,744,292	5,533,337
Bonds Payable - Less Current Portion	13,402,364	8,261,594	21,663,958
Loans Payable - Less Current Portion		14,742,802	14,742,802
Total Noncurrent Liabilities	<u>16,670,540</u>	<u>26,223,483</u>	<u>42,894,023</u>
Total Liabilities	<u>18,539,495</u>	<u>28,186,191</u>	<u>46,725,686</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Pension	-	-	-
NET POSITION			
Net Investment In Capital Assets	18,070,177	11,296,750	29,366,927
Restricted for:			
Capital Projects	5,970,914	5,884,004	11,854,918
Unrestricted	140,715	(2,816,736)	(2,676,021)
Total Net Position	<u>\$ 24,181,806</u>	<u>\$ 14,364,018</u>	<u>\$ 38,545,824</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, 2017

	Business-type Activities		Totals
	Enterprise Funds		
	Water Authority	Sanitary District	
OPERATING REVENUES			
Charges for Services	\$ 5,810,063	\$ 5,312,468	\$ 11,122,531
Connection Charges	407,149	451,422	858,571
Other Revenue	759,370		759,370
Total Operating Revenue	6,976,582	5,763,890	12,740,472
OPERATING EXPENSES			
Salaries and Benefits	1,017,658	983,756	2,001,414
Administrative and General	943,915	968,052	1,911,967
Professional Services	653,371	559,932	1,213,303
Materials and Supplies	443,288	185,245	628,533
Repairs and Maintenance	57,900	143,278	201,178
Utilities	1,097,220	363,863	1,461,083
Depreciation and Amortization	1,427,613	1,462,086	2,889,699
Total Operating Expenses	5,640,965	4,666,212	10,307,177
Operating Income	1,335,617	1,097,678	2,433,295
NONOPERATING REVENUES (EXPENSES)			
Property Taxes		140,354	140,354
Investment Income	(15,319)	(9,413)	(24,732)
Interest Expense and Fiscal Charges	(515,953)	(721,230)	(1,237,183)
Total Nonoperating Revenues (Expenses)	(531,272)	(590,289)	(1,121,561)
Income Before Transfers	804,345	507,389	1,311,734
Transfers Out	(647,388)	(621,524)	(1,268,912)
Total Transfers	(647,388)	(621,524)	(1,268,912)
Change in Net Position	156,957	(114,135)	42,822
Total Net Position, Beginning of Year	24,024,849	14,478,153	38,503,002
Total Net Position, End of Year	\$ 24,181,806	\$ 14,364,018	\$ 38,545,824

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, 2017

	Business-type Activities		Totals
	Enterprise Funds		
	Water Authority	Sanitary District	
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 6,886,207	\$ 5,691,817	\$ 12,578,024
Cash Payments to Suppliers	(2,717,032)	(2,179,919)	(4,896,951)
Cash Payments to Employees for Services	(1,118,636)	(1,010,798)	(2,129,434)
Net Cash Provided (Used) by Operating Activities	<u>3,050,539</u>	<u>2,501,100</u>	<u>5,551,639</u>
Cash Flows from Noncapital Financing Activities			
Property Taxes Received		140,354	140,354
Net Cash Provided (Used) by Noncapital Financing Activities		<u>140,354</u>	<u>140,354</u>
Cash Flows From Capital and Related Financing Activities			
Principal Paid on Long-Term Debt	(520,099)	(1,540,316)	(2,060,415)
Interest Paid on Long-Term Debt	(491,094)	(739,050)	(1,230,144)
Acquisition and Construction of Capital Assets, net	(929,293)	(36,924)	(966,217)
Contributions to/from Other Government	(647,388)	(621,524)	(1,268,912)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,587,874)</u>	<u>(2,937,814)</u>	<u>(5,525,688)</u>
Cash Flows from Investing Activities			
Interest on Investments	(15,320)	(9,413)	(24,733)
Net Cash Provided (Used) by Investing Activities	<u>(15,320)</u>	<u>(9,413)</u>	<u>(24,733)</u>
Net Change in Cash and Cash Equivalents	447,345	(305,773)	141,572
Cash and Cash Equivalents - Beginning of the Year	8,994,090	6,189,777	15,183,867
Cash and Cash Equivalents - End of the Year	<u>\$ 9,441,435</u>	<u>\$ 5,884,004</u>	<u>\$ 15,325,439</u>
Cash and Investments:			
Cash and Investments	\$ 3,470,521	\$ -	\$ 3,470,521
Restricted Cash	5,970,914	5,884,004	11,854,918
Total Cash and Cash Equivalents	<u>\$ 9,441,435</u>	<u>\$ 5,884,004</u>	<u>\$ 15,325,439</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, 2017

	Business-type Activities		Totals
	Enterprise Funds		
	Water Authority	Sanitary District	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ 1,335,617	\$ 1,097,678	\$ 2,433,295
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,427,613	1,462,086	2,889,699
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(71,497)	(72,073)	(143,570)
Increase (Decrease) in Accounts Payable	460,908	40,451	501,359
Increase (Decrease) in Accrued Payroll	(2,161)	(1,947)	(4,108)
Increase (Decrease) in Deposits Payable	(17,894)		(17,894)
Increase (Decrease) in Compensated Absences Payable	(6,067)	(10,402)	(16,469)
Increase (Decrease) in Net Pension Liability	(131,717)	(63,888)	(195,605)
Increase (Decrease) in Net OPEB Obligation	55,737	49,195	104,932
	<u>1,714,922</u>	<u>1,403,422</u>	<u>3,118,344</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ 3,050,539</u></u>	<u><u>\$ 2,501,100</u></u>	<u><u>\$ 5,551,639</u></u>
Noncash Investing, Capital and Financing Activities			
Amortization of (Premium)/Discount on Bonds	<u><u>\$ (24,680)</u></u>	<u><u>\$ (11,368)</u></u>	<u><u>\$ (36,048)</u></u>

The accompanying notes are an integral part of this statement.

City of Coachella
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2017

	Successor Agency Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and Investments	\$ 116	\$ 3,408,416
Prepaid Bond Insurance	292,663	
Receivables:		
Accounts Receivable, net of allowance of \$400,905	145,955	180,380
Loans Receivable	2,416,805	
Restricted Assets:		
Restricted Cash and Investments	943,789	
Land Held for Resale	1,347,092	
Total Assets	5,146,420	\$ 3,588,796
DEFERRED OUTFLOWS OF RESOURCES		
Bond Refunding Deferred Outflows of Resources	37,580	
LIABILITIES		
Pass-through Payable		\$ 2,857,525
Claims Payable		2,746
Due To Refuse Service Provider		29,696
Deposits Payable		698,829
Accrued Interest Payable	418,868	
Long-term Liabilities:		
Due Within One Year	1,535,000	
Due in More than One Year	36,995,058	
Total Liabilities	38,948,926	\$ 3,588,796
DEFERRED INFLOWS OF RESOURCES		
Bond Refunding Deferred Inflows of Resources	486,954	
NET POSITION HELD IN TRUST	\$ (34,251,880)	

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, 2017

ADDITIONS

Contributions:

Redevelopment Agency Property Tax Trust Fund	\$ 3,595,400
Total Contributions	3,595,400

Interest and Investment Revenue

Use of money and property	69,357
Total Use of Money and Property	69,357

Other Revenue

Other	160,014
Total Other Revenue	160,014

Total Additions	3,824,771
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DEDUCTIONS

Payments Made:

Payments to City of Coachella	1,711,991
Total Payments to Other Governments	1,711,991

Obligation Retirements:

Interest on Note Payable	1,946,964
Total Obligation Retirements	1,946,964

Administrative Expenses:

Administrative Expenses	317,361
Total Administrative Expenses	317,361

Total Deductions	3,976,316
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Change in Net Position	(151,545)
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Net Position Held in Trust - Beginning	(34,100,335)
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Net Position Held in Trust - Ending	\$ (34,251,880)
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The accompanying notes are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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, 2017

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, 2017

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 *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.

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.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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

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

The *Lease Revenue Bonds Debt Service Fund* is used to account for the funding for the public library.

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 the following: **JPA Waste Transfer** – used to account for the receipts collected and distributed to JPA for waste transfer services provided to City Residents. **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.

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, 2017

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, 2017

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, donated works of art and similar item, and capital assets received in a service arrangement are to be reported at acquisition value at the time of its 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:

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

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, 2017

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, 2017 totaled \$940,726 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, 2017

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.

Fund Balances:	General Fund	State Gas Tax	Development Impact Fund	ECD Entitlement Program	HOME Program Income	Lease Revenue Bonds	Non-major Funds	Total
Nonspendable:								
Prepays and Deposits	\$ 1,133,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,133,582
Loans and Notes Receivable	3,374,500							3,374,500
Restricted for:								
Low Income Housing	1,046				380,818		200,313	582,177
Highways and Streets		1,644,473					1,263,691	2,908,164
Other purposes				12,206			400,641	412,847
Public Safety - Fire Protection							15,404	15,404
Debt Service							469,849	469,849
Committed to:								
Public Facilities-Library						12,095,021		12,095,021
Public Facilities-Bus Shelter			231,399					231,399
Public Facilities-Police Facilities	25,131		514,695					539,826
Public Facilities- General Government	13,227							13,227
Public Facilities-Fire Facilities			908,869					908,869
Capital Projects-Park Improvement	1,857,000							1,857,000
Capital Projects-Bridge and Grade Separation			1,661,426					1,661,426
Public Arts			13,436					13,436
Assigned to:								
Highways and Streets	545						940,181	940,726
Unassigned	4,632,342		(3,689,907)				(33,184)	909,251
TOTAL FUND BALANCE	<u>\$11,037,373</u>	<u>\$1,644,473</u>	<u>\$ (360,082)</u>	<u>\$ 12,206</u>	<u>\$ 380,818</u>	<u>\$ 12,095,021</u>	<u>\$ 3,256,895</u>	<u>\$ 28,066,704</u>

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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, 2017, 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, 2017

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, 2015
Measurement Date (VD)	June 30, 2016
Measurement Period (MP)	July 1, 2015 to June 30, 2016

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, 2017

2) CASH AND INVESTMENTS

Cash and investments are classified as follows:

Statement of Net Position:

Governmental Activities:

Cash and Investments	\$ 17,906,167
Restricted Cash and Investments	12,494,119

Statement of Net Position:

Business-type Activities:

Water Authority:

Cash and Investments	3,470,521
Restricted Cash and Investments	5,970,914

Sanitary District:

Restricted Cash and Investments	5,884,004
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Fiduciary Activities:

Statement of Fiduciary Assets:

Cash and Investments	3,408,532
Cash and Investments with Fiscal Agent	943,789

Total Cash and Investments	<u>\$ 50,078,046</u>
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Cash and investments consist of the following:

Petty Cash	\$ 3,050
Deposits with Financial Institutions	26,377,488
Investments	<u>23,697,508</u>
Total Cash and Investments	<u>\$ 50,078,046</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, 2017

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, 2017

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	\$ 7,614,921	\$	\$ 1,206,196	\$ 6,408,725	\$
Corporate Bonds	2,668,203	360,189	105,073	2,202,941	
Certificates of Deposit	3,850,544	1,340,816	2,509,728		
State Investment Pool - LAIF	4,485,612	4,485,612			
County Investment Pool	157,027	157,027			
U.S. Treasury Notes	4,348,826			4,348,826	
Money Market Funds	121,137	121,137			
Held By Bond Trustee					
Private Debt Obligations	451,238				451,238
Total	\$ 23,697,508	\$ 6,464,781	\$ 3,820,997	\$ 12,960,492	\$ 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	\$ 7,614,921	A	\$	\$ 7,614,921	\$	\$	\$	\$
Corporate Bonds	2,668,203	A			811,488	1,856,715		
Certificates of Deposit	3,850,544	N/A						3,850,544
State Investment Pool - LAIF	4,485,612	N/A						4,485,612
County Investment Pool	157,027	N/A		157,027				
U.S. Treasury Notes	4,348,826	N/A	4,348,826					
Money Market Funds	121,137	A		121,137				
Held By Bond Trustee:								
Certificates of Deposit	451,238	N/A						451,238
Total	\$ 23,697,508		\$ 4,348,826	\$ 7,893,085	\$ 811,488	\$ 1,856,715	\$ -	\$ 8,787,394

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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. 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, 2017 are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association	U.S. Agency Securities	\$ 3,762,956
Fannie Mae	U.S. Agency Securities	\$ 2,852,386

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, 2017, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2017, 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>
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, 2017

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, 2017, 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 \$7,614,921, bonds of \$2,668,203 and certificates of deposit of \$3,850,544.

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.

\$ 4,826,536

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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>\$ 7,243,341</u>
Total Loans Receivable – Governmental Funds	\$ 4,826,536
Total Loans Receivable – Private Purpose Trust Funds	<u>2,416,805</u>
Total Loans Receivable	<u>\$ 7,243,341</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	\$ 14,422,131	\$	\$	\$ 108,694	\$ 14,530,825
Construction in Progress	36,236,979	13,334,186		(37,175,647)	12,395,518
Total Capital Assets, Not Depreciated	50,659,110	13,334,186	-	(37,066,953)	26,926,343
Capital Assets Being Depreciated:					
Buildings	8,786,448				8,786,448
Machinery and Equipment	7,412,406	148,196			7,560,602
Furniture and Fixtures	6,978				6,978
Infrastructure	164,178,806			37,066,953	201,245,759
Total Capital Assets Being Depreciated	180,384,638	148,196	-	37,066,953	217,599,787
Less Accumulated Depreciation:					
Buildings	(4,115,995)	(258,390)			(4,374,385)
Machinery and Equipment	(6,597,840)	(158,009)			(6,755,849)
Furniture and Fixtures	(6,978)				(6,978)
Infrastructure	(56,168,935)	(4,051,917)			(60,220,852)
Total Accumulated Depreciation	(66,889,748)	(4,468,316)	-	-	(71,358,064)
Total Capital Assets Being Depreciated, Net	113,494,890	(4,320,120)	-	37,066,953	146,241,723
Governmental Activities Capital Assets, Net of Depreciation	\$ 164,154,000	\$ 9,014,066	\$ -	\$ -	\$ 173,168,066

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 366,452
Fire	49,947
Public Works	3,251,798
Parks and Recreation	800,119
Total Depreciation Expense - Governmental Activities	\$ 4,468,316

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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	528,336	966,217		(528,336)	966,217
Total Capital Assets Not Depreciated	1,416,108	966,217	-	(528,336)	1,853,989
Capital Assets Being Depreciated:					
Buildings	1,221,306				1,221,306
Machinery and Equipment	12,634,772				12,634,772
Infrastructure	108,630,063			528,336	109,158,399
Total Capital Assets Being Depreciated	122,486,141	-	-	528,336	123,014,477
Less Accumulated Depreciation:					
Buildings	(652,433)	(27,426)		71,236	(608,623)
Machinery and Equipment	(10,134,589)	(478,533)			(10,613,122)
Infrastructure	(43,815,268)	(2,383,740)		(71,236)	(46,270,244)
Total Accumulated Depreciation	(54,602,290)	(2,889,699)	-	-	(57,491,989)
Total Capital Assets Being Depreciated, Net	67,883,851	(2,889,699)	-	528,336	65,522,488
Business-type Activities Capital Assets, Net of Depreciation	\$ 69,299,959	\$ (1,923,482)	\$ -	\$ -	\$ 67,376,477

Depreciation was charged to functions/programs as follows:

Business-type Activities:	
Water	\$ 1,427,613
Sanitary	1,462,086
Total Depreciation Expense - Business-type Activities	\$ 2,889,699

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, 2017

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, 2017, 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	8.000%	8.000%
Required employer contribution rates	12.698%	12.698%

The Plans' provisions and benefits in effect at June 30, 2017, 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, 2017 were \$840,738.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

5) PENSION RELATED DEBT - Continued

For the year ended June 30, 2017, 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	645,546	-	195,192
Contributions employee	421,496	-	-

As of June 30, 2017, 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	9,684,437
Safety	4,284,302
	<u>13,968,739</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, 2016, 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, 2015, rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2015, and 2016 was as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous Second Tier</u>	<u>Safety</u>
Proportion - June 30, 2017	0.06727%	0.00000%	0.02260%

For the year ended June 30, 2017, the City recognized pension expense of \$1,337,748. At June 30, 2017, 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	\$ 840,738	\$ -
Changes in assumptions		-
Differences between expected and actual experiences	1,616,091	-
Net difference between projected and actual		-
Adjustments due to differences in proportion	-	-
Total	<u>\$ 2,456,829</u>	<u>\$ -</u>

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

5) PENSION RELATED DEBT - Continued

\$1,616,091 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, 2017. 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	
2017	\$ (83,006)
2018	(123,281)
2019	(894,797)
2020	<u>(515,007)</u>
	<u>\$ (1,616,091)</u>

Actuarial Assumptions

For the measurement period ended June 30, 2016, the total pension liabilities were determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2015 and June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
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	7.500% 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 2010. 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, 2017

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 7.375 percent (net of administrative expense in 2014) as of the June 30, 2016 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. 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, 2017

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	20.0%	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	1.0%	-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:

	Miscellaneous	Miscellaneous Second Tier	Safety
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	15,088,098	-	6,413,436
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	9,684,437	-	4,284,302
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	5,218,579	-	2,536,502

At June 30, 2017, the City reported no payable for outstanding amounts of contributions to the pension plan required for the year ended June 30, 2017.

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, 2017

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)	\$ 645,195	\$ 192,059	\$ 216,316	\$ 620,938	\$ 316,334
Loan Payable	-	1,200,000	34,477	1,165,523	61,004
Revenue Bonds					
Bond Premium	-	243,504	8,117	235,387	-
Coachella Lease Revenue Bonds	-	12,150,000	355,000	11,795,000	260,000
Total Revenue Bonds	-	12,393,504	363,117	12,030,387	260,000
Certificates of Participation					
2008 Gas Tax COPS	6,090,000		170,000	5,920,000	175,000
Claims Payable	461,825	179,926	38,081	603,670	330,886
Net Pension Liability	6,020,364	2,415,037		8,435,401	-
OPEB Obligation	1,018,696	187,478		1,206,174	-
Total	\$ 14,236,080	\$ 16,568,004	\$ 821,991	\$ 29,982,093	\$ 1,143,224
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-type Activities:					
Compensated Absences (Note 6)	\$ 361,916	\$ 155,138	\$ 171,607	\$ 345,447	\$ 182,654
Loan Payable	17,214,035		1,222,137	15,991,898	1,249,096
Revenue Bonds					
2015A Wastewater	4,125,000		150,000	3,975,000	160,000
2005B Wastewater	4,388,075		76,075	4,312,000	79,246
Bond Premium	804,898		46,395	758,503	-
2008 Water (USDA)	4,615,461		64,959	4,550,502	67,801
2012 Water (USDA)	9,225,000		420,000	8,805,000	430,000
Total Revenue Bonds	23,158,434	-	757,429	22,401,005	737,047
Net Pension Liability	4,675,370	857,967		5,533,337	-
OPEB Obligation	686,201	104,932		791,133	-
Total	\$ 46,095,956	\$ 1,118,037	\$ 2,151,173	\$ 45,062,820	\$ 2,168,797
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Fiduciary Funds:					
2013 Tax Allocation Bonds	\$ 4,535,000		\$ 370,000	\$ 4,165,000	\$ 380,000
2014 Tax Allocation Bonds	8,975,000		210,000	8,765,000	215,000
Bond Discount	(73,631)	3,636		(69,995)	-
Bond Premium	2,035,575		100,522	1,935,053	-
2016 Tax Allocation Bonds, Ser. A	14,935,000		535,000	14,400,000	525,000
2016 Tax Allocation Bonds, Ser. B	9,690,000		355,000	9,335,000	415,000
Total Revenue Bonds	\$ 40,096,944	\$ 3,636	\$ 1,570,522	\$ 38,530,058	\$ 1,535,000

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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%.

\$13,311,292

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%.

\$ 2,680,606

Total Loans

\$ 15,991,898

Year Ending June 30,	Principal	Interest	Total
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	1,368,277	273,334	1,641,611
2023-2027	7,338,604	912,170	8,250,774
2028-2032	340,000	238,225	578,225
2033-2037	385,000	196,187	581,187
2038-2042	430,000	149,102	579,102
2043-2047	485,000	95,843	580,843
2048-2052	465,606	36,291	501,897
Total	<u>\$ 15,991,898</u>	<u>\$ 3,291,145</u>	<u>\$ 19,283,043</u>

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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. \$ 8,765,000

On October 1, 2013, the Successor Agency to the Coachella Redevelopment Agency issued \$5,275,000 Tax Allocation Bonds (Merged Project Areas), Series. 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. \$ 4,165,000

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, 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. \$23,735,000

Total Revenue Bonds – Fiduciary Funds \$36,665,000

Revenue Bonds – Continued

Private Purpose Trust Funds – Fiduciary Funds:
The future debt requirements of the Fiduciary Funds Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,755,000	1,284,568	3,039,568
2023-2027	9,890,000	5,205,884	15,095,884
2028-2032	12,900,000	2,884,015	15,784,015
2033-2037	<u>5,700,000</u>	<u>583,264</u>	<u>6,283,264</u>
Total	<u>\$ 36,665,000</u>	<u>\$ 14,921,125</u>	<u>\$ 51,586,125</u>

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

6) LONG-TERM LIABILITIES – Continued

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 \$3,595,400 for the year ended June 30, 2017. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2017 were approximately \$1,470,000 and \$2,024,877, respectively. The total principal and interest remaining is approximately \$51,586,125 with annual payments expected to require 100% of pledged tax revenues.

Revenue Bonds – Continued – Business-Type Activities:

On October 15, 2015, the Coachella Sanitary District issued \$4,260,000 Wastewater Revenue Refunding Bonds, Series 2015A 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, 2017, the Authority met the rate covenant as required by the bond indenture. \$ 3,975,000

On September 26, 2005, the Coachella Financing Authority issued \$5,000,000 Wastewater Revenue Refunding Bonds (USDA), Series 2005B for the Coachella Sanitary District, to finance on-going capital improvements to the Wastewater Enterprise. Interest is payable September 26 and March 26 of each year. Interest accrues at 4.125% per annum. Principal is payable in annual installments ranging from \$50,573 to \$248,591 commencing September 26, 2006, through September 26, 2045. \$ 4,312,000

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, 2017, the Authority met the rate covenant as required by the bond indenture. \$ 8,805,000

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. \$ 4,550,502

Total Revenue Bonds – Business Activities \$21,642,502

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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
2018	737,047	853,703	1,590,750
2019	748,315	835,584	1,583,899
2020	769,852	815,447	1,585,299
2021	791,666	795,681	1,587,347
2022	818,772	766,823	1,585,595
2023-2027	4,651,523	3,114,167	7,765,690
2028-2032	5,670,577	2,425,465	8,096,042
2033-2037	3,106,908	1,194,723	4,301,631
2038-2042	1,886,323	770,144	2,656,467
2043-2047	1,960,795	341,179	2,301,974
2048-2049	500,724	21,142	521,866
Total	\$ 21,642,502	\$ 11,934,058	\$ 33,576,560

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, 2017, the Agency has a cash reserve for debt service of \$451,321 which is sufficient to cover the Bond indenture Reserve Requirement.

Total Certificates of Participation – Governmental Activities

\$ 5,920,000

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

Year Ending June 30,	Principal	Interest	Total
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	210,000	241,108	451,108
2023-2027	1,180,000	1,060,892	2,240,892
2028-2032	1,480,000	763,462	2,243,462
2033-2037	1,870,000	376,912	2,246,912
2038	430,000	20,433	450,433
Total	\$ 5,920,000	\$ 3,504,639	\$ 9,424,639

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

6) LONG-TERM LIABILITES – Continued

Revenue Bonds – Continued – Governmental Activities:

On September 1, 2016, the Coachella Financing Authority issued \$12,150,000 Lease Revenue Bonds, Series 2016 to finance the costs of construction of a library. Interest on the bonds is payable December 1 and June 1 of each year. Interest on the bonds accrues at rates varying from 1.50% to 4.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$260,000 to \$440,000, commencing June 1, 2016 through June 1, 2036. Concurrently with the issuance of the bonds, a surety policy was purchased in lieu of maintaining a reserve balance.

\$ 11,795,000

Year Ending June 30,	Principal	Interest	Total
2018	\$ 260,000	\$ 351,256	\$ 611,256
2019	265,000	346,706	611,706
2020	265,000	342,731	607,731
2021	280,000	332,131	612,131
2022	290,000	320,931	610,931
2023-2027	1,630,000	1,421,256	3,051,256
2028-2032	1,910,000	1,141,188	3,051,188
2033-2037	2,155,000	899,425	3,054,425
2038-2042	2,475,000	570,000	3,045,000
2043-2046	2,265,000	172,350	2,437,350
Total	<u>\$ 11,795,000</u>	<u>\$ 5,897,974</u>	<u>\$ 17,692,974</u>

Note Payable – Governmental Activities:

On October 25, 2016, the City of Coachella entered into a note payable to with another party to purchase real property in the City. The note payable is for \$1,200,000. Interest on the note is payable monthly. Interest on the note accrues at 4.00% per annum. Principal is payable in monthly installments of \$8,876, commencing December 1, 2016 through November 1, 2031.

\$ 1,165,523

Year Ending June 30,	Principal	Interest	Total
2018	\$ 61,004	\$ 45,511	\$ 106,515
2019	63,490	43,025	106,515
2020	66,077	40,438	106,515
2021	68,769	37,746	106,515
2022	71,570	34,945	106,515
2023-2027	404,040	128,535	532,575
2028-2032	430,573	39,869	470,442
Total	<u>\$ 1,165,523</u>	<u>\$ 370,069</u>	<u>\$ 1,535,592</u>

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

7) COMPENSATED ABSENCES

For governmental fund and proprietary funds, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$620,938 and \$345,447, respectively at June 30, 2017. The City has estimated that for the governmental funds that \$316,334 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the obligation in the liabilities section of the Statement of Net Position in the government-wide financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenditures in the related governmental fund financial statements when used. Upon retirement or termination, the expenditures are recorded in the fund which incurred the original obligation. Compensated absences payable for proprietary funds are reported within the respective funds and the City has estimated that for proprietary funds that \$182,654 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	State Gas Tax	\$ 402,329	\$ 150,870	\$ 553,199
	ECD Entitlement Program		3,007,187	3,007,187
	Development Impact Fund	5,231,500		5,231,500
	Capital Improvement Projects Capital Project Fund	1,869,713		1,869,713
	Non-major Governmental Funds	36,869		36,869
	Total	\$ 7,540,411	\$ 3,158,057	\$ 10,698,468

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 \$1,869,713. and two inter-fund receivables due to Capital Improvement Projects Capital Project Fund from the ECD Entitlement Program totaling \$3,007,187.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

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

Inter-fund transfers are as follows:

	TRANSFERS OUT							Total	
	GOVERNMENTAL FUNDS				ENTERPRISE FUNDS				
	General Fund	Dev. Impact Fund	ECD Ent. Fund	Gas Tax Fund	Non-Major Governmental Funds	Coachella Sanitary District	Coachella Water District		
T R A N S F E R S	GOVERNMENTAL FUNDS:								
N	General Fund	\$ -	\$ -	\$ 10,127	\$ -	\$ 1,036,181	\$ 621,524	\$ 647,388	\$ 2,315,220
S	Capital Improvement Projects		6,055,454	5,649,668	150,870	880,147			12,736,139
E	Lease Revenue Bonds	611,820							611,820
S	Non-major Governmental Funds	1,946,041							1,946,041
I	Total	\$ 2,557,861	\$ 6,055,454	\$ 5,659,795	\$ 150,870	\$ 1,916,328	\$ 621,524	\$ 647,388	\$ 17,609,220

Transfers made from the General Fund to the major governmental funds of \$611,820 were to cover various expenditures in the Lease Revenue Bonds Fund. Transfers made from the General Fund to the non-major funds of \$1,946,041 in the Fire Protection District of \$1,514,862, Landscape & Lighting District of \$441,840, Fire Protection District of \$110,464, and CDGB Program Income of \$426,877 were to cover various expenditures in those funds. Transfers made to the General Fund of \$2,315,220 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 2017, the monthly dollar cap is \$646.00 for management and elected officials and \$270.00 for confidential mid-management, sanitary and miscellaneous employees.

City of Coachella
Notes to Financial Statements
Fiscal Year Ended June 30, 2017

9) **POST EMPLOYMENT BENEFITS – Continued**

Annual OPEB Cost

For 2017, 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, 2017, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 310,848
Interest on Net OPEB Obligation	73,934
Adjustment to Annual Required Contribution	<u>(38,494)</u>
Annual OPEB Cost (Expense)	346,288
Benefits Paid	<u>(53,878)</u>
Increase in Net OPEB Obligation	292,410
Net OPEB Obligation - Beginning of the Year	<u>1,704,897</u>
Net OPEB Obligation - End of the Year	<u><u>\$ 1,997,307</u></u>

The City's net OPEB obligation as of the year ending June 30, 2017 was calculated to be \$1,997,307 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, 2017 and the two preceding fiscal years are as follows:

Three-Year Trend Information for Credit			
Fiscal Year	Annual Postemployment Benefit Cost	Annual Postemployment Benefit Cost Contributed	Net Other Postemployment Benefit Obligation
6/30/17	\$ 346,288	15.6%	\$ 1,997,307
6/30/16	\$ 283,203	18.3%	\$ 1,704,897
6/30/15	\$ 236,927	20.5%	\$ 1,455,919

Funding Status and Funding Progress

The funded status of the plan as of June 30, 2017, was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,180,724
Actuarial Value of Plan Assets	\$ 0
Unfunded Actuarial Accrued Liability (UALL)	\$ 3,180,724
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 6,029,376
UAAL as a Percentage of Covered Payroll	52.75%

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, 2017

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, 2017
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% to 3%
Investment Rate of Return	3.75%
Projected Salary Increase	2.25%
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, 2017

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, 2017, the amount of these liabilities was \$603,670. 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, 2017	Year Ended June 30, 2016
Claims payable, beginning of fiscal year	\$ 461,825	\$ 515,635
Current year claims and changes in estimates	179,926	33,109
Claims payments	(38,081)	(86,919)
Claims payable, end of fiscal year	\$ 603,670	\$ 461,825

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, 2017, 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) OTHER INFORMATION

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. 81: - *Irrevocable Split-Interest Agreements*. These provisions are effective for financial statements for periods beginning after December 15, 2016.

GASB Statement No. 83: - *Certain Asset Retirement Obligations*. These provisions are effective for financial statements for periods beginning after June 15, 2018.

GASB Statement No. 84: - *Fiduciary Activities*. These provisions are effective for financial statements for periods beginning after December 15, 2018.

GASB Statement No. 85: - *Omnibus 2017*. These provisions are effective for financial statements for periods beginning after June 15, 2018.

GASB Statement No. 86: - *Certain Debt Extinguishment Issues*. These provisions are effective for financial statements for periods beginning after June 15, 2018.

GASB Statement No. 87: - *Leases*. These provisions are effective for financial statements for periods beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

City of Coachella
Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

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 JUNE 30, 2017

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

For the Years Ended

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
City's proportion of the net pension liability	0.161431%	0.155826%	0.159270%
City's proportionate share of the net pension liability	\$ 13,968,739	\$ 10,695,736	\$ 9,910,888
City's covered employee payroll	\$ 7,053,274	\$ 6,675,341	\$ 6,092,148
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	198.05%	160.23%	162.68%
City's proportion share of the fiduciary net position as a percentage of the City's total pension liability	73.50%	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, 2017

COST-SHARING MULTIPLE-EMPLOYER CONTRIBUTIONS – LAST 10 YEARS*

Schedule of the City's Contributions

For the Years Ended

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required employer contribution (actuarilly determined)	\$ 840,738	\$ 790,280	\$ 950,317
Contributions in relation to the actuarilly determined contributions	<u>(840,738)</u>	<u>(790,280)</u>	<u>(950,317)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 7,053,274	\$ 6,675,341	\$ 6,092,148
Employer contributions as a percentage of covered employee payroll	11.92%	11.84%	15.60%

Notes to Schedule

Change in benefit terms: None.

Change in assumptions: None.

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

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]
06/30/15	\$ -	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%
06/30/17	\$ -	3,180,724	3,180,724	0%	\$ 6,029,376	52.7%

City of Coachella
Required Supplementary Information
For The Fiscal Year Ended June 30, 2017

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, 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, 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.

The Lease Revenue Bonds Debt Service Fund, a major fund, has a legally adopted budget. The debt service fund budgetary schedule is presented in the supplementary information section.

SUPPLEMENTARY INFORMATION

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For The Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,899,589	\$ 16,899,589	\$ 17,209,278	\$ 309,689
Licenses, Permits and Fees	700,000	700,000	816,351	116,351
Charges for Services	377,000	377,000	594,455	217,455
Fines, Forfeitures and Penalties	380,000	380,000	602,642	222,642
Intergovernmental Revenue	2,678,250	2,678,250	358,426	(2,319,824)
Special Assessments	820,000	820,000	941,246	121,246
Investment Income	23,000	23,000	(2,071)	(25,071)
Other Revenue	169,000	169,000	299,972	130,972
	<u>22,046,839</u>	<u>22,046,839</u>	<u>20,820,299</u>	<u>(1,226,540)</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	4,342,436	4,342,436	5,069,279	(726,843)
Community Development	534,475	534,475	595,967	(61,492)
Building Department	179,292	179,292	191,422	(12,130)
Engineering Department	635,522	635,522	598,721	36,801
Public Safety - Police	8,140,796	8,140,796	8,238,225	(97,429)
Public Safety - Animal Control	381,074	381,074	282,432	98,642
Public Works	1,899,923	1,899,923	1,802,147	97,776
Parks and Recreation	2,263,626	2,263,626	2,476,561	(212,935)
Capital Outlay	-	-	146,390	(146,390)
	<u>18,377,144</u>	<u>18,377,144</u>	<u>19,401,144</u>	<u>(1,024,000)</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>3,669,695</u>	<u>3,669,695</u>	<u>1,419,155</u>	<u>(202,540)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,227,050	3,227,050	2,315,220	(911,830)
Transfers Out	(6,315,850)	(6,315,850)	(2,557,861)	3,757,989
	<u>(3,088,800)</u>	<u>(3,088,800)</u>	<u>(242,641)</u>	<u>2,846,159</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	<u>\$ 580,895</u>	<u>\$ 580,895</u>	1,176,514	<u>\$ 2,643,619</u>
Fund Balance, Beginning of Year			<u>9,860,859</u>	
Fund Balance, End of Year			<u>11,037,373</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, 2017

	<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	\$ 923,000	\$ 923,000	\$ 865,484	\$ (57,516)
Total Revenues	<u>923,000</u>	<u>923,000</u>	<u>865,484</u>	<u>(57,516)</u>
EXPENDITURES				
Current:				
Public Works	1,050,073	1,050,073	1,057,035	(6,962)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,050,073</u>	<u>1,050,073</u>	<u>1,057,035</u>	<u>(6,962)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(127,073)</u>	<u>(127,073)</u>	<u>(191,551)</u>	<u>(64,478)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(135,000)</u>	<u>(135,000)</u>	<u>(150,870)</u>	<u>(15,870)</u>
Total Other Financing Sources (Uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(150,870)</u>	<u>(15,870)</u>
Net Change in Fund Balances	<u>\$ (262,073)</u>	<u>\$ (262,073)</u>	<u>(342,421)</u>	<u>\$ (80,348)</u>
Fund Balances, Beginning of Year			<u>1,986,894</u>	
Fund Balance, End of Year			<u>\$ 1,644,473</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Fees	\$ 2,275,000	\$ 2,275,000	\$ 1,800,199	\$ (474,801)
Investment Income	13,400	13,400	(6,502)	(19,902)
Total Revenues	<u>2,288,400</u>	<u>2,288,400</u>	<u>1,793,697</u>	<u>(494,703)</u>
EXPENDITURES				
Current:				
Public Works	25,000	25,000	48,752	(23,752)
Capital Outlays	-	-	12,381	(12,381)
Debt Service:				
Principal Retirement	-	-	38,362	(38,362)
Interest and Fiscal Charges	-	-	27,657	(27,657)
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>127,152</u>	<u>(102,152)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,263,400</u>	<u>2,263,400</u>	<u>1,666,545</u>	<u>(392,551)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(1,088,756)	(1,088,756)	(6,055,454)	(4,966,698)
Total Other Financing Sources (Uses)	<u>(1,088,756)</u>	<u>(1,088,756)</u>	<u>(6,055,454)</u>	<u>(4,966,698)</u>
Net Change in Fund Balances	<u>\$ 1,174,644</u>	<u>\$ 1,174,644</u>	(4,388,909)	<u>\$(5,359,249)</u>
Fund Balance, Beginning of Year			<u>4,028,827</u>	
Fund Balance, End of Year			<u>\$ (360,082)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenue	\$ 18,096,542	\$ 18,096,542	\$ 5,671,196	\$(12,425,346)
Total Revenues	<u>18,096,542</u>	<u>18,096,542</u>	<u>5,671,196</u>	<u>(12,425,346)</u>
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,096,542</u>	<u>18,096,542</u>	<u>5,671,196</u>	<u>(12,425,346)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out	<u>(18,096,542)</u>	<u>(18,096,542)</u>	<u>(5,659,795)</u>	<u>12,436,747</u>
Total Other Financing Sources (Uses)	<u>(18,096,542)</u>	<u>(18,096,542)</u>	<u>(5,659,795)</u>	<u>12,436,747</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	11,401	<u>\$ 11,401</u>
Fund Balance, Beginning of Year			<u>805</u>	
Fund Balance, End of Year			<u>\$ 12,206</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ -	\$ -	\$ 54,318	\$ 54,318
Investment Income			(512)	(512)
Total Revenues	-	-	53,806	53,806
EXPENDITURES				
Current:				
General Government		-		-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	53,806	53,806
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-		-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	53,806	\$ 53,806
Fund Balance, Beginning of Year			327,012	
Fund Balance, End of Year			\$ 380,818	

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

City of Coachella
Non-major Governmental Funds

Special Revenue Funds:

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

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

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

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

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

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

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

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

Debt Service Funds:

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, 2017

	Special Revenue			
	Air Quality Improvemt	Local Transportion	Landscape & Lighting District	Fire Protection District
Assets and Deferred Outflows Of Resources				
Assets:				
Cash and Investments	\$ -	\$ 1,173,193	\$ 977,233	\$ 666,920
Receivables:				
Loans Receivable				
Due from Other Governments	14,740	121,664	16,188	37,188
Restricted Assets:				
Cash with Fiscal Agent				
Total Assets	\$ 14,740	\$ 1,294,857	\$ 993,421	\$ 704,108
Deferred Outflows of Resources	-	-	-	-
Liabilities, Deferred Inflows of Resources, And Fund Balances				
Liabilities:				
Accounts Payable & Accrued Liabilities	\$ -	\$ 30,619	\$ 53,240	\$ 688,704
Due to Other Funds	36,869			
Due to Other Governments	11,055	547		
Unearned Revenue				
Total Liabilities	47,924	31,166	53,240	688,704
Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Low Income Housing				
Highways and Streets		1,263,691		
Other Purposes				
Fire				15,404
Debt Service				
Assigned - Highways and Streets			940,181	
Unassigned	(33,184)			
Total Fund Balances	(33,184)	1,263,691	940,181	15,404
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,740	\$ 1,294,857	\$ 993,421	\$ 704,108

City of Coachella
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2017

	Special Revenue			Indian Gaming Grants SB 621	Debt	Total Non-Major Governmental Funds
	CAL HOME Program Income	CDBG Program Income	Home Admin Program Income		Service Street Improvement Fund	
Assets and Deferred Outflows Of Resources						
Assets:						
Cash and Investments	\$ 200,313	\$ 190,777	\$ 209,864	\$ 593,046	\$ -	\$ 4,011,346
Receivables:						
Loans Receivable	478,805	497,641				976,446
Due from Other Governments						189,780
Restricted Assets:						
Cash with Fiscal Agent					469,849	469,849
Total Assets	\$ 679,118	\$ 688,418	\$ 209,864	\$ 593,046	\$ 469,849	\$ 5,647,421
Deferred Outflows of Resources	-	-	-	-	-	-
Liabilities, Deferred Inflows of Resources, And Fund Balances						
Liabilities:						
Accounts Payable & Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 772,563
Due to Other Funds						36,869
Due to Other Governments						11,602
Unearned Revenue	478,805	497,641		593,046		1,569,492
Total Liabilities	478,805	497,641	-	593,046	-	2,390,526
Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances:						
Restricted for:						
Low Income Housing	200,313					200,313
Highways and Streets						1,263,691
Other Purposes		190,777	209,864			400,641
Fire						15,404
Debt Service					469,849	469,849
Assigned - Highways and Streets						940,181
Unassigned						(33,184)
Total Fund Balances	200,313	190,777	209,864	-	469,849	3,256,895
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 679,118	\$ 688,418	\$ 209,864	\$ 593,046	\$ 469,849	\$ 5,647,421

City of Coachella
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For The Fiscal Year Ended June 30, 2017

	Special Revenue			
	Air Quality Improvment	Local Transportion	Landscape & Lighting District	Fire Protection District
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 775,454
Charges for Services				34,491
Intergovernmental	83,386	563,592		
Special Assessments			1,991,278	557,077
Investment Income (Expense)	2,690	(2,313)	(10)	2,376
Other Revenue				13,399
Total Revenues	86,076	561,279	1,991,268	1,382,797
EXPENDITURES				
Current:				
General Government				
Fire				2,793,526
Public Works		36,847	2,180,385	
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges				
Total Expenditures	-	36,847	2,180,385	2,793,526
Excess (Deficiency) of Revenues Over Expenditures	86,076	524,432	(189,117)	(1,410,729)
OTHER FINANCING SOURCES (USES)				
Transfers In				1,514,862
Transfers Out	(57,000)	(880,147)	(441,840)	(110,464)
Total Other Financing Sources (Uses)	(57,000)	(880,147)	(441,840)	1,404,398
Net Change in Fund Balances	29,076	(355,715)	(630,957)	(6,331)
Fund Balances, Beginning of Year	(62,260)	1,619,406	1,571,138	21,735
Fund Balances, End of Year	\$ (33,184)	\$ 1,263,691	\$ 940,181	\$ 15,404

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, 2017

	Special Revenue				Debt Service	Total
	CAL HOME Program Income	CDBG Program Income	Home Admin Program Income	Indian Gaming Grants SB 621	Street Improvement Fund	Non-Major Governmental Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 775,454
Charges for Services						34,491
Intergovernmental	11,208	433,008	5,940			1,097,134
Special Assessments						2,548,355
Investment Income (Expense)	(309)	(214)	(329)		20,896	22,787
Other Revenue						13,399
Total Revenues	<u>10,899</u>	<u>432,794</u>	<u>5,611</u>	<u>-</u>	<u>20,896</u>	<u>4,491,620</u>
EXPENDITURES						
Current:						
General Government			4,236		2,617	6,853
Fire						2,793,526
Public Works						2,217,232
Debt Service:						
Principal Retirement					170,000	170,000
Interest and Fiscal Charges					278,109	278,109
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,236</u>	<u>-</u>	<u>450,726</u>	<u>5,465,720</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,899</u>	<u>432,794</u>	<u>1,375</u>	<u>-</u>	<u>(429,830)</u>	<u>(974,100)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In					431,179	1,946,041
Transfers Out		(426,877)				(1,916,328)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(426,877)</u>	<u>-</u>		<u>431,179</u>	<u>29,713</u>
Net Change in Fund Balances	<u>10,899</u>	<u>5,917</u>	<u>1,375</u>		<u>1,349</u>	<u>(944,387)</u>
Fund Balances, Beginning of Year	<u>189,414</u>	<u>184,860</u>	<u>208,489</u>	<u>-</u>	<u>468,500</u>	<u>4,201,282</u>
Fund Balances, End of Year	<u>\$ 200,313</u>	<u>\$ 190,777</u>	<u>\$ 209,864</u>	<u>\$ -</u>	<u>\$ 469,849</u>	<u>\$ 3,256,895</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 54,000	\$ 54,000	\$ 83,386	\$ 29,386
Investment Income			2,690	2,690
Other Revenue			0	
Total Revenues	<u>54,000</u>	<u>54,000</u>	<u>86,076</u>	<u>32,076</u>
EXPENDITURES				
Current:				
Public Works	53,000	53,000		53,000
Capital Outlay				-
Total Expenditures	<u>53,000</u>	<u>53,000</u>	<u>-</u>	<u>53,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,000</u>	<u>1,000</u>	<u>86,076</u>	<u>85,076</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	(57,000)	57,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(57,000)</u>	<u>57,000</u>
Net Change in Fund Balances	<u>\$ 1,000</u>	<u>\$ 1,000</u>	29,076	<u>\$ 142,076</u>
Fund Balance, Beginning of Year			<u>(62,260)</u>	
Fund Balance, End of Year			<u>\$ (33,184)</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 627,000	\$ 627,000	\$ 563,592	(63,408)
Investment Income	1,000	1,000	(2,313)	(3,313)
Total Revenues	<u>628,000</u>	<u>628,000</u>	<u>561,279</u>	<u>(66,721)</u>
EXPENDITURES				
Current:				
Public Works	71,240	71,240	36,847	34,393
Total Expenditures	<u>71,240</u>	<u>71,240</u>	<u>36,847</u>	<u>34,393</u>
Excess (Deficiency) of Revenues over Expenditures	<u>556,760</u>	<u>556,760</u>	<u>524,432</u>	<u>(32,328)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(665,000)	(665,000)	(880,147)	(215,147)
Total Other Financing Sources (Uses)	<u>(665,000)</u>	<u>(665,000)</u>	<u>(880,147)</u>	<u>(215,147)</u>
Net Change in Fund Balances	<u>\$ (108,240)</u>	<u>\$ (108,240)</u>	(355,715)	<u>\$ (247,475)</u>
Fund Balance, Beginning of Year			<u>1,619,406</u>	
Fund Balance, End of Year			<u>\$ 1,263,691</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 1,990,092	\$ 1,990,092	\$ 1,991,278	\$ 1,186
Investment Income	-	-	(10)	(10)
Total Revenues	<u>1,990,092</u>	<u>1,990,092</u>	<u>1,991,268</u>	<u>1,176</u>
EXPENDITURES				
Current:				
Public Works	2,642,764	2,642,764	2,180,385	462,379
Total Expenditures	<u>2,642,764</u>	<u>2,642,764</u>	<u>2,180,385</u>	<u>462,379</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(652,672)</u>	<u>(652,672)</u>	<u>(189,117)</u>	<u>463,555</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(441,840)</u>	<u>(441,840)</u>	<u>(441,840)</u>	-
Total Other Financing Sources (Uses)	<u>(441,840)</u>	<u>(441,840)</u>	<u>(441,840)</u>	-
Net Change in Fund Balances	<u>\$ (1,094,512)</u>	<u>\$ (1,094,512)</u>	(630,957)	<u>\$ 463,555</u>
Fund Balance, Beginning of Year			<u>1,571,138</u>	
Fund Balance, End of Year			<u>\$ 940,181</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 477,500	\$ 477,500	\$ 775,454	\$ 297,954
Charges for Services	35,000	35,000	34,491	(509)
Special Assessments	504,000	504,000	557,077	53,077
Investment Income	1,000	1,000	2,376	1,376
Other Revenue			13,399	13,399
Total Revenues	<u>1,017,500</u>	<u>1,017,500</u>	<u>1,382,797</u>	<u>365,297</u>
EXPENDITURES				
Current:				
Public Safety	3,049,955	3,049,955	2,793,526	256,429
Capital Outlay		-	-	-
Total Expenditures	<u>3,049,955</u>	<u>3,049,955</u>	<u>2,793,526</u>	<u>256,429</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,032,455)</u>	<u>(2,032,455)</u>	<u>(1,410,729)</u>	<u>621,726</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,145,420	2,145,420	1,514,862	(630,558)
Transfers Out	(110,465)	(110,465)	(110,464)	1
Total Other Financing Sources (Uses)	<u>2,034,955</u>	<u>2,034,955</u>	<u>1,404,398</u>	<u>(630,557)</u>
Net Change in Fund Balances	<u>\$ 2,500</u>	<u>\$ 2,500</u>	(6,331)	<u>\$ (8,831)</u>
Fund Balance, Beginning of Year			<u>21,735</u>	
Fund Balance, End of Year			<u>\$ 15,404</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ -	\$ -	\$ 11,208	\$ 11,208
Investment Income	-	-	(309)	(309)
Total Revenues	-	-	10,899	10,899
EXPENDITURES				
Current:				
General Government			-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	10,899	10,899
OTHER FINANCING SOURCES (USES)				
Transfers Out		-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	10,899	<u>\$ 10,899</u>
Fund Balance, Beginning of Year			189,414	
Fund Balance, End of Year			<u>\$ 200,313</u>	

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Program Income Special Revenue Fund
For The Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 357,636	\$ 357,636	\$ 433,008	75,372
Investment Income (Expense)	-	-	(214)	(214)
Total Revenues	<u>357,636</u>	<u>357,636</u>	<u>432,794</u>	<u>75,158</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	<u>357,636</u>	<u>357,636</u>	<u>432,794</u>	<u>75,158</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(357,636)	(357,636)	(426,877)	(69,241)
Total Other Financing Sources (Uses)	<u>(357,636)</u>	<u>(357,636)</u>	<u>(426,877)</u>	<u>(69,241)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	5,917	<u>\$ 5,917</u>
Fund Balance, Beginning of Year			<u>184,860</u>	
Fund Balance, End of Year			<u>\$ 190,777</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ -	\$ -	\$ 5,940	\$ 5,940
Investment Income			(329)	(329)
Total Revenues	-	-	5,611	5,611
EXPENDITURES				
Current:				
General Government		-	4,236	(4,236)
Total Expenditures	-	-	4,236	(4,236)
Excess (Deficiency) of Revenues over Expenditures	-	-	1,375	1,375
OTHER FINANCING SOURCES (USES)				
Transfers In			-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	1,375	\$ 1,375
Fund Balance, Beginning of Year			208,489	
Fund Balances, End of Year			\$ 209,864	

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, 2017

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

The accompanying notes are an integral part of this statement.

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Street Improvement Fund Debt Service Fund
For The Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 10,000	\$ 10,000	\$ 20,896	\$ 10,896
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>20,896</u>	<u>10,896</u>
EXPENDITURES				
Current:				
General Government	1,500	1,500	2,617	(1,117)
Debt Service:				
Principal Retirement	170,000	170,000	170,000	-
Interest and Fiscal Charges	278,109	278,109	278,109	-
Total Expenditures	<u>449,609</u>	<u>449,609</u>	<u>450,726</u>	<u>(1,117)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(439,609)</u>	<u>(439,609)</u>	<u>(429,830)</u>	<u>9,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	439,708	439,708	431,179	(8,529)
Total Other Financing Sources (Uses)	<u>439,708</u>	<u>439,708</u>	<u>431,179</u>	<u>(8,529)</u>
Net Change in Fund Balances	<u>\$ 99</u>	<u>\$ 99</u>	1,349	<u>\$ 1,250</u>
Fund Balance, Beginning of Year			<u>468,500</u>	
Fund Balance, End of Year			<u>\$ 469,849</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Revenue	\$	-	\$ 587,472	\$ 587,472
Total Revenues	-	-	587,472	587,472
EXPENDITURES				
Capital Outlay	22,007,842	22,007,842	13,323,611	8,684,231
Total Expenditures	22,007,842	22,007,842	13,323,611	8,684,231
Excess (Deficiency) of Revenues over Expenditures	(22,007,842)	(22,007,842)	(12,736,139)	9,271,703
OTHER FINANCING SOURCES (USES)				
Transfers In	22,007,842	22,007,842	12,736,139	(9,271,703)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	22,007,842	22,007,842	12,736,139	(9,271,703)
Net Change in Fund Balances	\$ -	\$ -	-	\$
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

City of Coachella
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Lease Revenue Bonds Debt Service Fund
For The Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 19,197	\$ 19,197
Total Revenues	-	-	19,197	19,197
EXPENDITURES				
Current:				
General Government	-	-	74,174	(74,174)
Debt Service:				
Principal Retirement	-	-	355,000	(355,000)
Interest and Fiscal Charges	-	-	256,822	(256,822)
Total Expenditures	-	-	685,996	(685,996)
Excess (Deficiency) of Revenues over Expenditures	-	-	(666,799)	(666,799)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	611,820	611,820
Issuance of Long-term Debt	-	-	12,150,000	12,150,000
Total Other Financing Sources (Uses)	-	-	12,761,820	12,761,820
Net Change in Fund Balances	\$ -	\$ -	12,095,021	\$ 12,095,021
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ 12,095,021	

AGENCY FUNDS

City of Coachella Agency Funds

JPA Waste Transfer – used to account for the receipts collected and distributed to JPA for waste transfer services provided to City Residents.

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

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

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

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



City of Coachella
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

	Agency Funds		
	JPA Waste Transfer	General Deposits Fund	Flood Control Capital Facilities Fund
ASSETS			
Cash and Investments	\$ 638,253	\$ 592,512	\$ 2,174,561
Accounts Receivable	44,711	102,267	
Total Assets	<u>\$ 682,964</u>	<u>\$ 694,779</u>	<u>\$ 2,174,561</u>
LIABILITIES			
Pass-through Payable	\$ 682,964	\$ -	\$ 2,174,561
Claims Payable			
Due to Refuse Service Provider			
Deposits Payable		694,779	
Total Liabilities	<u>\$ 682,964</u>	<u>\$ 694,779</u>	<u>\$ 2,174,561</u>

Agency Funds

Employee Flex Plan Deposits	Refuse Fund	Total Agency Funds
\$ 2,746	\$ 344	\$ 3,408,416
	33,402	180,380
<u>\$ 2,746</u>	<u>\$ 33,746</u>	<u>\$ 3,588,796</u>
\$ -	\$ -	\$ 2,857,525
2,746	29,696	2,746
	4,050	29,696
	698,829	698,829
<u>\$ 2,746</u>	<u>\$ 33,746</u>	<u>\$ 3,588,796</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	100-109
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	110-123
These schedules contain trend information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	124-133
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	134-138
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	139-142
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			
	2008	2009	2010	2011
Governmental activities:				
Net investment in capital assets	\$ 85,714,202	\$ 95,466,787	\$ 102,162,696	\$ 101,147,347
Restricted	5,662,608	17,108,772	19,069,214	26,096,284
Unrestricted	3,652,252	(15,594,569)	(18,766,599)	(25,655,766)
Total governmental net assets	\$ 95,029,062	\$ 96,980,990	\$ 102,465,311	\$ 101,587,865
Business-type activities:				
Net investment in capital assets	\$ 35,198,133	\$ 36,511,480	\$ 30,565,733	\$ 28,937,151
Restricted	6,928,511	9,571,551	9,383,173	12,386,534
Unrestricted	3,336,606	(3,415,652)	1,782,324	330,584
Total business-type net assets	\$ 45,463,250	\$ 42,667,379	\$ 41,731,230	\$ 41,654,269
Primary government:				
Net investment in capital assets	\$ 120,912,335	\$ 131,978,267	\$ 132,728,429	\$ 130,084,498
Restricted	12,591,119	26,680,323	28,452,387	38,482,818
Unrestricted	6,988,858	(19,010,221)	(16,984,275)	(25,325,182)
Total primary gov't net position	\$ 140,492,312	\$ 139,648,369	\$ 144,196,541	\$ 143,242,134

Source: City of Coachella

2012	2013	2014	2015	2016	2017
\$ 111,247,097	\$ 120,525,667	\$ 132,455,715	\$ 145,593,234	\$ 157,898,999	\$ 154,052,156
23,302,650	15,984,734	3,896,461	4,053,609	4,053,609	4,388,441
903,304	3,821,526	18,352,829	10,703,722	13,006,316	19,631,018
<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>	<u>\$ 178,071,615</u>
\$ 31,140,385	\$ 30,060,637	\$ 29,190,240	\$ 29,253,731	\$ 29,332,671	\$ 29,366,927
10,544,314	11,808,295	11,781,174	12,022,868	11,783,670	11,854,918
680,001	1,550,566	2,427,129	(1,800,780)	(2,613,339)	(2,676,021)
<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>	<u>\$ 38,545,824</u>
\$ 142,387,482	\$ 150,586,304	\$ 161,645,955	\$ 174,846,965	\$ 187,231,670	\$ 183,419,083
33,846,964	27,793,029	15,677,635	16,076,477	15,837,279	16,243,359
1,583,305	5,372,092	20,779,958	8,902,942	10,392,977	16,954,997
<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>	<u>\$ 216,617,439</u>

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

	Fiscal Years			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
General government	\$ 11,789,089	\$ 7,741,542	\$ 5,705,993	\$ 4,605,459
Public safety	10,032,314	10,305,504	8,875,765	9,935,026
Public works	8,792,025	9,966,066	11,861,550	11,699,266
Parks and recreation	936,008	1,134,980	1,006,144	1,334,218
Payments to other agencies	-	-	-	-
Interest on long-term debt	2,711,031	3,048,677	2,925,495	2,878,831
Transfers	-	-	-	-
Total governmental activities	<u>34,260,467</u>	<u>32,196,769</u>	<u>30,374,947</u>	<u>30,452,800</u>
Business-type activities				
Water	4,925,075	5,389,095	4,832,937	5,178,132
Sanitary	8,447,038	6,619,280	4,787,092	5,104,398
Total business-type activities	<u>13,372,113</u>	<u>12,008,375</u>	<u>9,620,029</u>	<u>10,282,530</u>
Total primary government expenses	<u>47,632,580</u>	<u>44,205,144</u>	<u>39,994,976</u>	<u>40,735,330</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	3,239,642	2,609,702	1,114,356	1,229,829
Public safety	100,953	133,255	166,085	57,173
Public works	232,289	159,351	779,045	437,508
Parks and recreation	-	-	-	-
Operating grants and contributions	5,261,599	3,480,245	5,200,469	3,860,007
Capital grants and contributions	12,781,151	13,414,321	6,020,309	4,440,478
Total governmental activities program revenue	<u>21,615,634</u>	<u>19,796,874</u>	<u>13,280,264</u>	<u>10,024,995</u>
Business Type Activities				
Charges for services:				
Water	3,631,226	3,483,785	3,845,765	4,712,079
Sanitary	5,413,732	5,905,830	4,704,975	5,133,701
Total business-type activities	<u>9,044,958</u>	<u>9,389,615</u>	<u>8,550,740</u>	<u>9,845,780</u>
Total primary government activities program revenues	<u>30,660,592</u>	<u>29,186,489</u>	<u>21,831,004</u>	<u>19,870,775</u>
Net revenues (expenses):				
Governmental activities	(12,644,833)	(12,399,895)	(17,094,683)	(20,427,805)
Business-type activities	(4,327,155)	(2,618,760)	(1,069,289)	(436,750)
Total net revenues (expenses)	<u>(16,971,988)</u>	<u>(15,018,655)</u>	<u>(18,163,972)</u>	<u>(20,864,555)</u>

Source: City of Coachella

	2012	2013	2014	2015	2016	2017
\$	6,111,900	\$ 4,998,607	\$ 4,124,482	\$ 4,849,757	\$ 4,251,234	\$ 8,026,847
	10,307,033	11,303,766	11,189,847	12,338,488	11,972,181	12,750,240
	3,973,174	6,965,830	7,262,906	8,461,080	8,553,492	8,376,964
	1,434,101	1,854,340	2,376,873	2,504,397	2,547,807	3,276,680
	-	-	-	-	-	-
	875,283	302,426	296,609	290,576	284,159	595,177
	22,701,491	25,424,969	25,250,717	28,444,298	27,608,873	33,025,908
	5,296,709	5,820,913	5,415,282	5,286,149	5,957,705	6,156,918
	4,592,115	5,450,091	5,247,438	5,206,579	5,451,109	5,387,442
	9,888,824	11,271,004	10,662,720	10,492,728	11,408,814	11,544,360
	32,590,315	36,695,973	35,913,437	38,937,026	39,017,687	44,570,268
	1,042,436	1,095,362	691,362	995,116	1,403,812	1,456,149
	39,690	83,181	80,823	601,521	923,539	948,496
	240,491	2,669,927	473,148	567,991	993,438	1,800,199
	-	18,803	38,717	78,314	63,165	58,578
	3,206,084	5,547,193	11,445,418	5,545,347	6,505,798	5,453,000
	2,542,580	5,320,294	12,178,865	15,028,254	12,079,607	6,234,788
	7,071,281	14,734,760	24,908,333	22,816,543	21,969,359	15,951,210
	5,423,430	6,854,219	6,393,874	6,795,227	5,991,334	6,976,582
	5,023,433	5,990,399	5,278,139	5,480,180	5,411,565	5,763,890
	10,446,863	12,844,618	11,672,013	12,275,407	11,402,899	12,740,472
	17,518,144	20,725,159	30,186,472	28,296,723	27,380,924	21,715,100
	(15,630,210)	(10,690,209)	(342,384)	(5,627,755)	(5,639,514)	(17,074,698)
	558,039	1,573,614	1,009,293	1,782,679	(5,915)	1,196,112
	(15,072,171)	(9,116,595)	666,909	(3,845,076)	(5,645,429)	(15,878,586)

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

	Fiscal Year			
	2008	2009	2010	2011
General Revenues				
Governmental activities:				
Intergovernmental revenue	-	-	-	-
Licenses and permits	-	-	-	-
Taxes:				
Property taxes	16,133,441	15,334,880	13,914,451	14,936,877
Other taxes	5,280,253	4,703,772	3,878,561	3,270,921
Interest and rental income	2,624,639	459,763	181,921	616,606
Gain on insurance reimbursement	-	-	-	-
Transfers	173,784	644,358	83,990	-
Other revenues	148,322	451,263	351,448	725,955
Total governmental activities	<u>24,360,439</u>	<u>21,594,036</u>	<u>18,410,371</u>	<u>19,550,359</u>
Business-type activities				
Other taxes	80,660	76,638	71,761	52,479
Interest and rental income	678,875	390,609	325,106	307,310
Transfers	(173,784)	(644,358)	(83,990)	-
Other revenues	63,366	-	-	-
Total business-type activities	<u>649,117</u>	<u>(177,111)</u>	<u>312,877</u>	<u>359,789</u>
Total primary government	<u>25,009,556</u>	<u>21,416,925</u>	<u>18,723,248</u>	<u>19,910,148</u>
Changes in Net Position				
Governmental activities	11,715,606	9,194,141	1,315,688	(877,446)
Business-type activities	<u>(3,678,038)</u>	<u>(2,795,871)</u>	<u>(756,412)</u>	<u>(76,961)</u>
Total primary government	<u>\$ 8,037,568</u>	<u>\$ 6,398,270</u>	<u>\$ 559,276</u>	<u>\$ (954,407)</u>

2012	2013	2014	2015	2016	2017
-	-	-	-	-	-
-	-	-	-	-	-
7,230,805	3,641,132	3,865,606	4,632,924	4,944,626	5,287,392
4,799,090	7,465,062	7,391,279	10,045,129	12,186,264	12,697,342
333,809	56,285	106,855	132,856	240,638	32,899
-	-	-	-	-	-
-	5,479,971	2,860,169	1,528,100	1,280,352	1,268,912
39,472	820,102	491,553	807,923	1,595,993	900,844
12,403,176	17,462,552	14,715,462	17,146,932	20,247,873	20,187,389
88,747	120,102	78,565	119,244	122,031	140,354
63,645	17,012	62,092	138,131	191,419	(24,732)
-	-	(1,170,905)	(1,278,100)	(1,280,352)	(1,268,912)
-	-	-	-	-	-
152,392	137,114	(1,030,248)	(1,020,725)	(966,902)	(1,153,290)
12,555,568	17,599,666	13,685,214	16,126,207	19,280,971	19,034,099
(3,227,034)	6,772,343	14,373,078	11,519,177	14,608,359	3,112,691
710,431	1,710,728	(20,955)	761,954	(972,817)	42,822
\$ (2,516,603)	\$ 8,483,071	\$ 14,352,123	\$ 12,281,131	\$ 13,635,542	\$ 3,155,513

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

	Fiscal Year			
	2008	2009	2010	2011
General Fund:				
Reserved	\$ 766,397	\$ 152,911	\$ 182,516	\$ 97,889
Unreserved	6,815,659	6,645,206	6,973,935	7,438,822
Nonspendable				
Committed				
Assigned				
Unassigned				
Total general fund	\$ 7,582,056	\$ 6,798,117	\$ 7,156,451	\$ 7,536,711
All other government funds:				
Reserved	\$ 29,108,658	\$ 9,791,031	\$ 6,119,021	\$ 6,119,021
Unreserved, reported in:				
Special revenue funds	(10,019,658)	18,214,433	20,477,006	22,277,334
Capital projects funds	42,407,884	11,870,645	10,997,083	9,507,944
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total all other governmental funds	\$ 61,496,884	\$ 39,876,109	\$ 37,593,110	\$ 37,904,299
Total government	\$ 69,078,940	\$ 46,674,226	\$ 44,749,561	\$ 45,441,010

⁽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

2012	2013	2014	2015	2016	2017
\$ 696,055	\$ 747,187	\$ -	\$ 1,034	\$ 1,034	\$ 1,046
7,216,287	7,233,049	-	-	-	-
		712,301	804,798	1,086,738	4,508,082
		127,126	962,276	962,276	1,895,358
			545	545	545
		6,571,198	5,379,585	7,810,266	4,632,342
<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>	<u>\$ 11,037,373</u>
\$ 7,557,962	\$ 6,473,490				
9,811,963	8,762,749				
(8,722)					
		4,364,961	4,521,075	\$ 4,946,650	\$ 4,387,395
		5,485,293	4,425,140	4,028,827	15,424,846
		3,225,142	2,480,066	1,631,603	940,181
		(10,842)	(1,795)	(62,260)	(3,723,091)
<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>\$ 17,029,331</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>	<u>\$ 28,066,704</u>

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

	Fiscal Years			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 21,339,431	\$ 20,144,921	\$ 17,586,613	\$ 18,207,798
Property tax increment	-	-	-	-
Licenses and permits	2,165,334	1,860,509	506,267	328,074
Charges for services	674,891	415,752	941,030	513,713
Fines and forfeits	266,466	312,085	193,308	186,327
Intergovernmental revenue	12,418,721	7,994,437	6,410,258	4,790,834
Developer Fees	-	-	-	-
Special Assessments	-	-	-	-
Interest and rental income	2,624,639	922,654	658,301	616,600
Other income	6,312,807	5,612,347	6,225,902	4,518,528
Total revenues	\$ 45,802,289	\$ 37,262,705	\$ 32,521,679	\$ 29,161,874
Expenditures:				
Current:				
General government:				
Departmental	\$ 11,326,595	\$ 7,297,718	\$ 5,692,863	\$ 4,296,416
Non-departmental	-	-	-	-
Public safety	9,969,322	9,705,504	8,816,894	9,873,162
Public works	3,572,002	3,567,104	3,852,501	6,766,312
Parks and recreation	923,957	962,264	830,108	1,132,761
Payment to other agencies	-	-	-	-
Capital outlays	20,332,270	22,239,928	4,441,241	1,582,158
Debt service:				
Pass-through Agreements	1,412,917	3,630,538	5,826,335	2,705,158
Issuance Costs	482,231	-	-	-
Principal retirements	1,005,824	1,186,049	1,643,602	1,356,591
Interest and fiscal changes	2,711,031	3,039,111	2,942,234	2,895,570
Capital outlays	-	-	-	-
Total expenditures	\$ 51,736,149	\$ 51,628,216	\$ 34,045,778	\$ 30,608,128
Excess (deficiency) of revenues over (under) expenditures	\$ (5,933,860)	\$ (14,365,511)	\$ (1,524,099)	\$ (1,446,254)
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	21,894,708	20,130,396	12,134,189	9,707,470
Transfers out	(21,720,924)	(19,486,038)	(12,050,199)	(9,707,470)
Issuance of Long-term Debt	7,205,000	-	-	-
Total other financing sources (uses)	\$ 7,378,784	\$ 644,358	\$ 83,990	\$ -
Extraordinary item:	\$ -	\$ -	\$ -	\$ 146,882
Net change in fund balances	\$ 1,444,924	\$ (13,721,153)	\$ (1,440,109)	\$ (1,299,372)
Debt service as a percentage of non-capital expenditures	14.4%	19.6%	23.9%	19.3%

Source: City of Coachella

	2012	2013	2014	2015	2016	2017
\$	15,285,530	\$ 11,719,602	\$ 11,724,882	\$ 14,676,884	\$ 17,164,738	\$ 17,984,732
	443,692	614,773	442,562	538,012	798,212	816,351
	331,760	453,441	180,654	397,549	450,980	628,946
	200,141	95,057	165,618	184,794	502,295	602,642
	10,333,837	7,509,649	15,291,696	17,809,697	15,923,966	8,046,558
				567,991	993,438	1,800,199
				3,129,783	3,228,493	3,489,601
	196,698	56,285	106,855	132,856	240,638	32,899
	6,933,698	6,268,534	4,088,497	807,923	1,595,993	900,843
\$	33,725,356	\$ 26,717,341	\$ 32,000,764	\$ 38,245,489	\$ 40,898,753	\$ 34,302,771
\$	5,055,676	\$ 4,511,278	\$ 4,236,748	\$ 4,664,727	\$ 4,348,014	\$ 5,150,306
	10,248,889	11,236,936	11,123,018	12,271,659	11,905,352	12,700,293
	2,949,814	3,598,866	3,876,914	5,069,452	5,161,864	5,125,166
	1,257,203	1,677,442	1,865,921	1,984,820	2,028,230	2,476,561
	11,150,050	12,781,950	16,052,519	17,234,277	16,452,981	13,482,382
	426,749	-	-	-	-	-
	1,240,000	145,000	150,000	160,000	165,000	559,477
	1,560,982	302,909	297,109	291,109	284,709	566,473
\$	33,889,363	\$ 34,254,381	\$ 37,602,229	\$ 41,676,044	\$ 40,346,150	\$ 40,060,658
\$	(164,007)	\$ (7,537,040)	\$ (5,601,465)	\$ (3,430,555)	\$ 552,603	\$ (5,757,887)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	12,150,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	46,165,111	19,087,073	22,151,890	20,840,763	19,309,673	17,609,220
	(46,165,111)	(13,607,102)	(19,291,721)	(19,312,663)	(18,029,321)	(16,340,308)
\$	-	\$ 5,479,971	\$ 2,860,169	\$ 1,528,100	\$ 1,280,352	\$ 13,418,912
\$	(18,012,537)					
\$	(18,176,544)	\$ (2,057,069)	\$ (2,741,296)	\$ (1,902,455)	\$ 1,832,955	\$ 7,661,025
	14.4%	2.1%	2.1%	1.9%	1.9%	4.4%

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>
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
2017	1,830,267,163	166,032,882	1,664,234,281

Source: Riverside County Assessor's Office
 MuniServices, LLC

<u>Less Homeowners Exemption</u>	<u>Net Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value Growth</u>
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%
20,230,661	1,644,003,620	6.63	6.37%

City of Coachella

Citywide Assessed Value and Estimated Actual Value of Taxable Property Last Eight 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
2016-17	1,104,720,729	420,392,171	231,715,679	73,438,584

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
166,032,882	1,664,234,281	.03100944	1,984,624,344	1.192515

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

Category	Fiscal Year			
	2007-08	2008-09	2009-10	2010-11
Agriculture	0	0	0	0
Commercial	138,925	152,499	282,639	295,988
Dry Farm	18,234	18,488	18,885	18,509
Industrial	97,256	105,518	9,380	8,955
Institutional	2,121	2,164	0	0
Irrigated	50,934	45,427	46,055	41,558
Miscellaneous	889	829	0	0
Recreational	2,865	5,327	0	0
Possessory Interest	5,061	5,676	1,276	983
Residential	1,148,922	1,075,436	885,069	782,723
Unknown	125,536	162,207	251,346	238,150
Vacant	453,817	467,419	260,491	192,433
Unitary	555	555	555	555
Gross Secured Value	2,045,115	2,041,545	1,755,697	1,579,853
Unsecured	72,381	72,265	66,016	62,411
Exemptions	116,363	124,455	115,436	155,857
Net Secured Value	2,001,133	1,989,355	1,706,276	1,486,407

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

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
0	0	0	0	26,904	37,755
300,470	285,845	287,616	406,038	399,750	420,392
12,456	11,050	10,242	10,779	10,501	11,380
9,349	6,793	7,377	9,568	9,694	9,795
0	0	0	0	0	0
28,657	24,548	24,459	25,371	26,589	28,845
0	0	0	0	0	0
0	0	0	13,309	13,702	13,812
988	0	0	0	0	0
755,901	715,872	752,563	952,455	1,046,676	1,104,721
234,449	246,059	249,695	23,376	0	0
144,016	132,619	126,940	119,667	125,571	130,128
555	602	605	602	602	602
1,486,841	1,423,388	1,459,497	1,561,165	1,659,989	1,757,430
60,340	58,542	60,143	62,643	68,540	73,439
153,904	155,811	115,454	145,480	162,064	166,033
1,393,277	1,326,119	1,404,186	1,478,328	1,566,465	1,664,836

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

	Fiscal Years			
	2007-08	2008-09	2009-10	2010-11
Basic City and County Levy				
COUNTY GENERAL	0.118000	0.131000	0.103042	0.103042
COUNTY FREE LIBRARY	0.029000	0.029000	0.013312	0.013312
CITY OF COACHELLA ANX	0.063000	0.063000	0.030984	0.030985
COACHELLA VALLEY UNIFIED	0.391000	0.391000	0.432209	0.432209
DESERT COMMUNITY COLLEGE	0.081000	0.081000	0.069757	0.069757
RIV. CO. OFFICE OF EDUCATION	0.044000	0.044000	0.037951	0.037951
RIV CO REG PARK & OPEN SPACE	0.005000	0.005000	0.002544	0.002544
COACHELLA VALLEY PUB CEMETERY	0.004000	0.004000	0.002131	0.002131
COACHELLA FIRE PROTECTION	0.054000	0.054000	0.036499	0.036487
CV MOSQ & VECTOR CONTROL	0.015000	0.015000	0.009059	0.009059
COACHELLA VALLEY REC & PARK	0.022000	0.022000	0.010968	0.010968
COACHELLA VALLEY CO WATER	0.030000	0.030000	0.025363	0.025363
COACHELLA VALLEY RES CONSER	0.000325	0.000325	0.000325	0.000325
CVC WTR IMP DST 1 DEBT SV	-	-	0.011835	0.011835
COACH VAL CO WTR STORM WTR UNIT	0.032107	0.032107	0.032107	0.032107
ERAF	0.198000	0.198000	0.181914	0.181925
TOTAL	1.086432	1.099432	1.000000	1.000000
Override Assessments				
COACHELLA VALLEY UNIFIED	0.060000	0.060000	0.072470	0.093320
DESERT COMMUNITY COLLEGE	0.019950	0.019950	0.019950	0.019950
COACHELLA VALLEY WATER	0.040000	0.040000	0.060000	0.080000
TOTAL	0.119950	0.119950	0.152420	0.193270
TOTAL TAX RATE	1.206382	1.219382	1.152420	1.193270

For purposes of this table TRA 12-000 is represented

Source: Riverside County Auditor data, MuniServices, LLC

Source: 2008-09 prior, previous published CAFR

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
0.103064	0.103064	0.103064	0.103064	0.103064	0.103064
0.013312	0.013312	0.013314	0.013314	0.013314	0.013314
0.031009	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
0.181878	0.181878	0.181878	0.181878	0.181876	0.181876
1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
0.074870	0.079680	0.149190	0.132180	0.132180	0.166010
0.019950	0.019950	0.019950	0.020870	0.020870	0.020360
0.080000	0.080000	0.100000	0.100000	0.100000	0.100000
0.174820	0.179630	0.269140	0.253050	0.253050	0.286370
1.174820	1.179630	1.269140	1.253050	1.253050	1.286370

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

Category	2008	2009	2010	2011
Agriculture	\$ -	\$ -	\$ -	\$ -
Residential	1,148,922	1,075,436	885,069	782,723
Commercial	138,925	152,499	282,639	295,988
Industrial	97,256	105,518	9,380	8,955
Dry Farm	18,234	18,488	18,885	18,509
Institutional	2,121	2,164	-	-
Irrigated	50,934	45,427	46,055	41,558
Miscellaneous	889	829	-	-
Recreational	2,865	5,327	-	-
Vacant Land	453,817	467,419	260,491	192,433
SBE Nonunitary	555	555	555	555
Possessory Int.	5,061	5,676	1,276	983
Unsecured	72,381	72,265	66,015	62,411
Unknown	9,281	37,751	135,911	82,293
Totals	\$ 2,001,241	\$ 1,989,354	\$ 1,706,276	\$ 1,486,408
Total Direct Rate	0.46366%	0.48578%	0.66274%	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 property. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations

Exemptions not included in total.

Source: Riverside County Assessor's Office
 MuniServices, LLC

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ -	\$ -	\$ -	\$ -	\$ 26,904	\$ 37,755
755,901	715,872	752,563	952,455	1,046,676	1,104,721
300,470	285,845	287,616	406,038	399,750	420,392
9,349	6,793	7,377	9,568	9,694	9,795
12,456	11,050	10,242	10,779	10,501	11,380
-	-	-	-	-	-
28,657	24,548	24,459	25,371	26,589	28,845
-	-	-	-	-	-
-	-	-	13,309	13,702	13,812
144,016	132,619	126,940	119,667	125,571	130,128
555	602	602	602	602	602
988	-	-	-	-	-
60,340	58,542	-	-	68,540	73,439
80,545	90,248	249,695	23,376	-	-
<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>\$ 1,830,869</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
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%	-
2017	15,918,858	15,918,858	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%
-	0%

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

Taxpayer	2016-17		2007-08	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Armtch Defense Products Co	28,338,869	1.70%	22,285,672	1.13%
California Artichoke Veg Growe	26,170,346	1.57%		
Anthony Vineyards Inc.	20,435,661	1.23%	11,008,008	0.56%
Soco	19,799,854	1.19%	25,630,450	1.30%
Sun World Packing Corp	15,077,459	0.91%	14,477,837	0.73%
Wal Mart Stores Inc.	11,912,613	0.72%		
Halum Abesud	10,670,551	0.64%	17,667,939	0.89%
Hpt Ta Prop Trust	10,283,161	0.62%		
Grimmway Enterprise Inc.	9,786,204	0.59%		
Psav	9,289,807	0.56%		
Sun Sands Enterprise	9,115,519	0.55%		
Coachella Vineyard Estates	8,767,147	0.53%		
A S Coachella Centers	8,639,711	0.52%		
Sirebrenik Jaime	8,350,000	0.50%		
Camp Court	8,284,845	0.50%		
Nika Royal	7,865,821	0.47%		
Cauzza Four Drug Store	7,487,078	0.45%		
Lb	7,099,163	0.43%		
Desert Lakes Master	7,075,500	0.42%		
Bci Coca Cola Bottling Co Of L	6,986,488	0.42%		
Megan World	6,977,797	0.42%		
Cvp Palm Springs	6,459,537	0.39%		
S D Inv Inc.	6,260,493	0.38%		
Wm Sub Esc	6,213,092	0.37%		
Christopher Coachella	6,005,220	0.36%		
Lennar Homes Calificinc			83,701,549	4.23%
R & R Land Inv			34,420,997	1.74%
Desert Highlands Assoc			28,104,931	1.42%
Ryland Homes Of Calif Inc			22,644,740	1.15%
Kb Home Coastal Inc			22,415,100	1.13%
Glenroy Capital			21,292,323	1.08%
K Hovmanian Forecast Homes Inc			19,462,737	0.98%
Tr Shadow View			18,822,544	0.95%
Mw Housing Partnersiii			17,186,752	0.87%
Jackson Street Retail Inv			15,973,158	0.81%
Cocopah Nurseries Inc			15,899,059	0.80%
Cretaceous Ventures			15,639,966	0.79%
Vineyard South			14,583,540	0.74%
Avenue 48 Inv Group			13,748,360	0.70%
Brandenburg Oak Grove			13,523,700	0.68%
Walker Design Buildservices			13,298,073	0.67%
Crv Rilmington Diegocoachella			12,866,635	0.65%
54Th Street			12,227,405	0.62%
Dillon Road Assoc			11,444,400	0.58%
Mfjk Partnership			9,798,104	0.50%
Total Top 25 Taxpayers	273,351,936	16.42%	508,123,979	25.70%
Total Taxable Value	1,664,836,138	100.00%	1,977,463,504	100.00%

Source: Riverside County Assessor data, MuniServices, LLC

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

2016-17

2007-08

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 Concret	Bldg.Matls-Whsle
Walmart Neighborhood Mark	Food Markets	Truckstop Of America	Service Stations
Wells Supply Company	Bldg.Matls-Retail	Union 76 Service Stations	Service Stations

Top Sales Tax Producers are listed in alphabetical order

Source: SBOE data, MuniServices, LLC

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

Fiscal Year	Governmental Activities					
	Revolving Loan	Redevelopment Bonds	Financing Authority Notes	Capital Leases	Certificates of Participation	Revenue Bonds
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	-
2017	1,165,523	-	-	-	5,920,000	12,030,387

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

Business-Type Activities

<u>Revenue Bonds</u>	<u>Revolving Fund Loan</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
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
22,401,005	13,311,293	54,828,208	10.45%	1,257

City of Coachella
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2008	2009	2010	2011
Assessed valuation	2,117,495,881	2,113,810,148	1,821,712,132	1,642,263,955
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	529,373,970	528,452,537	455,428,033	410,565,989
Debt limit percentage	15%	15%	15%	15%
Debt limit	79,406,096	79,267,881	68,314,205	61,584,898
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 79,406,096</u>	<u>\$ 79,267,881</u>	<u>\$ 68,314,205</u>	<u>\$ 61,584,898</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
1,547,181,026	1,481,929,638	1,519,638,811	1,623,508,162	1,727,928,171	1,830,267,163
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
386,795,257	370,482,410	379,909,703	405,877,041	431,982,043	457,566,791
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
58,019,288	55,572,361	56,986,455	60,881,556	64,797,306	68,635,019
-	-	-	-	-	-
<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>	<u>\$ 68,635,019</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>
2017	5,763,890	3,204,126	2,559,764
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

- (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)
150,000	152,288	302,288	8.47
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

City of Coachella
Revenue Bond Coverage - Coachella Water Authority
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>
2017	6,976,582	4,213,352	2,763,230
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

(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)
420,000	307,895	727,895	3.80
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

City of Coachella

Direct and Overlapping Bonded Debt (unaudited)

As of June 30, 2017

2016-17 Assessed Valuation: \$ 1,685,664,936

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
 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
 Desert 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 2016-2017 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.06%
Total Direct Debt (\$11,795,000).....	0.70%
Gross Combined Total Debt	6.89%
Net Combined Total Debt	6.89%

Ratios to Redevelopment Incremental Valuation (\$879,196,538):

Total Overlapping Tax Increment Debt.....	4.20%
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Source: MuniServices LLC

	Total Debt 6/30/2017	% Applicable	City's Share of Debt 6/30/17
\$	278,449,403	2.261%	\$ 6,295,741
	263,890,413	16.798%	44,328,312
	316,115,000	0.322%	1,017,890
			\$ 51,641,943
\$	849,105,407	0.673%	\$ 5,714,479
	286,535,000	0.673%	1,928,381
	47,240,845	16.798%	7,935,517
	49,805,000	0.322%	160,372
	11,795,000	100.000%	11,795,000
	1,077,045	3.590%	38,666 (1)
			\$ 27,572,415
			32,622
			\$ 27,539,793
\$	324,628,028	0.032-100%	\$ 36,902,953
			\$ 11,795,000
			\$ 10,432,311
			\$ 104,289,689
			\$ 116,117,311 (2)
			\$ 116,084,689

City of Coachella
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income		Employed (2)	Unemployed (2)
		(amounts expressed in thousands)	Per Capita Personal Income (3)		
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
2015-16	45,407	**	12,321	16,700	1,900
2016-17	45,551	**	**	17,100	1,600

(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)
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%
**	5.7%	8.8%	2,384,783	1.9%

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

Business Name	2016-17		2010-11	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Spotlight 29 Casino	575	3.04%	800	6.30%
Coachella Valley Unified School District (1)	555	2.94%	532	4.19%
Augustine Casino	400	2.12%	428	3.37%
Earnie Ball/Paladar	330	1.75%	262	2.06%
Valley Pride (2)	247	1.31%	400	3.15%
Esterline Defense (formerly Armtec Industry)	242	1.28%	315	2.48%
Coachella Valley Water District	218	1.15%	290	2.28%
Teserra (formerly California Pools)	160	0.85%	320	2.52%
Cardenas (Market #18)(3)	137	0.72%	122	0.96%
Coca-Cola Enterprises, Inc.	115	0.61%		
Sun World			200	1.57%
Total Top 10 Employers	2,979	15.77%	3,669	28.89%
Total City Labor Force (3)	18,900		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>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
General Government			
Administration	8.50	2.95	2.05
Community Development	6.00	4.00	2.25
Finance	10.30	3.85	2.60
General Government	4.00	4.00	3.00
Neighborhood Services	8.00	5.50	2.00
Public Works	22.00	20.75	17.50
Senior Center	3.50	3.00	3.00
Landscape & Lighting District	-	1.00	2.00
Redevelopment Agency	3.00	10.15	8.05
Sanitary District	9.35	14.10	13.20
Water Agency	8.35	12.70	13.35
Grand Total	<u>83.00</u>	<u>82.00</u>	<u>69.00</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>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
2.05	2.05	3.80	4.30	3.80	4.30	4.30
3.50	3.50	4.50	4.50	4.50	4.50	4.50
3.60	3.60	3.50	3.50	3.50	4.50	4.50
5.00	4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	2.00	3.00	3.00	5.00	5.40
19.25	19.25	17.90	17.20	15.20	20.93	20.53
2.00	2.00	3.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
8.05	8.05	-	-	-	-	-
13.20	13.20	14.40	14.25	13.75	15.13	14.64
12.35	13.35	14.90	14.25	14.25	14.64	15.13
<u>72.00</u>	<u>72.00</u>	<u>70.00</u>	<u>71.00</u>	<u>68.00</u>	<u>79.00</u>	<u>79.00</u>

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

Function	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public safety				
Police				
Substations	1	1	1	1
Service hours	110	110	90	90
Fire stations	1	1	1	1
Personnel (full time)	18	11	11	11
Support personnel	20	20	20	1
Highways and streets				
Streets (miles)	104	104	109	115
Streetlights	1,892	1,892	1,893	1,894
Culture and recreation				
Parks acreage	61	61	61	61
Parks	7	7	7	7
Swimming pools	2	2	2	2
Tennis courts	-	-	-	-
Basketball courts	4	4	4	4
Community centers	1	1	1	1
Water				
Water meters active	7,123	7,208	7,255	7,278
Fire hydrants	537	537	537	537
Sanitary				
Plants	1	1	1	1
(capacity/gallons)	4,500,000	4,500,000	4,500,000	4,500,000

Source: City of Coachella

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
1	-	-	-	-	-
90	90	90	90	90	90
1	1	1	1	1	1
11	11	13	13	13	13
1	1	1	1	1	1
115	115	108	109	109	109
1,894	1,894	1,788	1,809	1,809	1,809
61	89	89	89	89	89
7	7	8	8	8	8
2	2	2	2	2	2
-	-	-	-	-	-
5	5	5	5	5	5
1	1	2	2	2	1
7,743	7,776	7,917	8,699	8,322	8,322
537	546	546	550	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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police (based on calendar year) **				
Murder	3	4	2	1
Rape	4	9	3	5
Robbery	41	64	74	76
Assaults (aggravated)	140	178	114	194
Burglary	360	479	551	467
Auto Theft	308	297	405	258
Larceny Theft	673	578	667	972
Arson	8	10	11	6
Fire				
Average Response Time (minutes)	4	3.5	3.3	3.2
Structural Fires	66	41	25	14
Commercial Fires	28	15	3	3
Other Fires	203	118	85	76
Medical aids	1086	1212	1239	1104
Traffic Collisions	51	121	139	136
Water				
New connections	322	85	47	23
Average daily consumption (gallons)	3,434,453	3,297,075	3,165,192	3,165,192
Wastewater				
Average daily sewage treatment (gallons)	2,500,000	2,516,125	2,532,354	2,532,354

** Data based on January - June 2017

Source: City of Coachella

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
4	2	3	6	4	0
8	4	4	4	4	2
61	54	57	55	51	18
168	124	82	99	96	38
373	418	306	241	200	95
293	352	326	203	236	119
650	738	646	708	802	426
8	9	4	3	0	0
3.7	3.6	3.9	3.7	3.9	3.9
17	20	15	23	14	11
3	7	0	2	1	3
114	130	71	87	116	141
1568	1610	1591	1884	1731	1907
213	197	195	252	234	293
53	153	134	27	25	16
7,353,443	7,135,287	6,297,187	6,022,370	5,600,000	6,307,000
2,810,891	2,717,800	2,765,000	2,684,000	2,534,000	2,573,000



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