

# CITY OF COACHELLA, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2019





# **City of Coachella, California**

## **Comprehensive Annual Financial Report**

For the Year Ended June 30, 2019

**Prepared By:**

**The City of Coachella Finance Department**



**City of Coachella**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**

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December 12, 2019

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, 2019. 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, 2019. 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 Position, 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 Position and Activities.

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

## **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 30.8, and is growing fast. Coachella's official population was 40,704 at the 2010 census; however, according to the California Department of Finance, the estimated population was 46,351 as of January 2019. 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 2018-19 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**

According to the State of California Employment Development Department (EDD), as of October 2019, the total workforce for the City of Coachella is 20,500 of which 18,200 were employed. The unemployment rate was 11.2%.

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 6.71% per year since FY 2013-14 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 2018-19, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2018-19 fiscal year included: Coachella permit building, Coachella library, Safe routes to school, Street improvements and traffic signs Ave 54 improvement, Street Calming Improvements, Traffic signal synchronization, Improvement to 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.

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 purchased an equivalent of 1.3 acres of land across from City Hall and has completed 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, Riverside County's Department of Social Services (DPSS) relocated from the City of Indio to Downtown Coachella. The City is now experiencing the foot traffic of 200+ employees and numerous clients, in the downtown area.

## **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.

### **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, 2018. This was the 7th 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.

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





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, 2018**

*Christopher P. Merrill*

Executive Director/CEO

# **CITY OF COACHELLA**

List of Principal Officials  
As of June 30, 2019

City Council – Manager Form of Government

## **CITY COUNCIL**

**STEVEN HERNANDEZ**  
Mayor

**EMMANUEL MARTINEZ**  
Mayor Pro Tem

**MEGAN BEAMAN JACINTO**  
Council Member

**PHILIP BAUTISTA**  
Council Member

**JOSIE GONZALEZ**  
Council Member

## **CITY ADMINISTRATION**

William B. Pattison Jr.  
City Manager

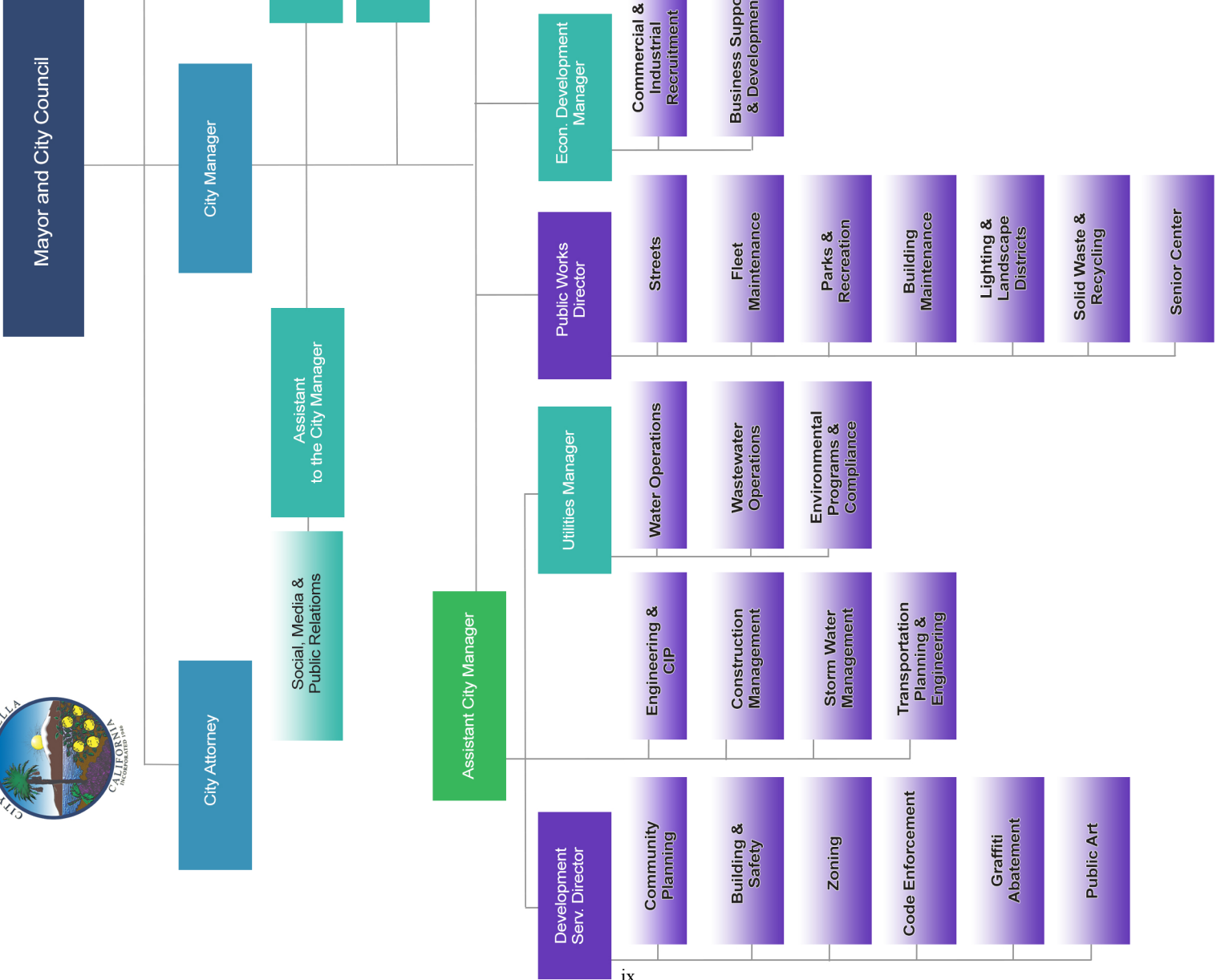
City Attorney  
City Treasurer  
City Clerk  
Development Services Director  
Chief of Police  
City Engineer  
Fire Chief  
Public Works Director

Carlos Campos  
Arturo Aviles  
Angela Zepeda  
Luis Lopez  
Misty Reynolds  
Jonathan Hoy  
Bonifacio De La Cruz  
Maritza Martinez



# City of Coachella

2018-2019





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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coachella, California (the "City") as of and for the year ended June 30, 2019, 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.

### ***Auditors' 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 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 as of June 30, 2019, 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, the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits on pages 5 to 12 and 89 to 97, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, the Combining and Individual Nonmajor Fund Financial Statements, and the Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and the 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.



To the Honorable Mayor and the Members of the City Council  
of the City of Coachella  
Coachella, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*The PwC Group, LLP*

Santa Ana, California  
December 12, 2019



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**City of Coachella**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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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, 2019. 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 and deferred outflows of resources of the City of Coachella exceeded its total liabilities and deferred inflows of resources at the close of the fiscal year by \$224.73 million (*net position*). Of this amount, \$203.90 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$(3.20) million (*unrestricted net deficit*) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$6.34 million between FY 2017-18 and FY 2018-19. During the period total revenues equaled \$49.48 million, an increase of \$0.70 million over the fiscal year 2017-18 and expenses totaled \$43.14 million a \$1.72 million decrease over the same time period.

The governmental activities total net position increased by \$4.42 million and the business-type total net position increased by \$1.92 million. The governmental activities increase was essentially due to an increase of \$1.63 million in capital grant and contributions revenue, an increase of \$0.40 million in property taxes revenue, an increase of \$1.27 million in sales and tax use revenue, an increase of \$0.07 million in motor vehicle in lieu tax revenue, an increase of \$0.06 million in franchise taxes revenue, an increase of \$0.05 million in transient occupancy tax revenue, a decrease of \$0.02 million in utility users tax revenue, an increase of \$.03 million in interest and rental income, a decrease on \$0.03 in other revenues, a decrease of \$1.12 million in charge for services revenue, and a decrease of \$1.46 million in operating grants and contributions. The increase in the Business-type activities was essentially due to an increase of \$0.48 million in charge for services income, a decrease of \$1.23 million in capital grants and contributions, an increase of \$.04 million in property taxes income and an increase of \$0.57 million in interest and rental income.

The close of the fiscal year 2018-19, the City of Coachella's governmental funds reported combined ending fund balances of \$18.09 million, a decrease of \$2.69 million in comparison with the prior year. The unassigned fund balance is (\$12.51) million. The primary reason for the decrease is due mainly to the use of the Lease Revenue Bonds for the construction of the new Coachella Library project which was completed in the fiscal year 2018-19.

**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 deferred outflows of resources as well as liabilities, and deferred inflows of resources, 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.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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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, Development Impact Fund Special Revenue Fund, ECD Entitlement Program Special Revenue Fund, Capital Improvement Capital Projects Fund, and Lease Revenue 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.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**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 \$224.73 million at the close of the fiscal year. By far the largest *portion* of the City's net position, \$203.90 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 net of unspent debt proceeds. 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 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Current and restricted assets	\$ 28,444,204	\$ 30,965,836	\$ 21,065,925	\$ 18,580,208	\$ 49,510,129	\$ 49,546,044
Capital assets	192,515,519	185,460,898	62,494,128	64,992,835	255,009,647	250,453,733
Total Assets	<u>220,959,723</u>	<u>216,426,734</u>	<u>83,560,053</u>	<u>83,573,043</u>	<u>304,519,776</u>	<u>299,999,777</u>
Deferred Outflows of Resources	<u>2,990,957</u>	<u>3,211,568</u>	<u>1,839,738</u>	<u>1,970,865</u>	<u>4,830,695</u>	<u>5,182,433</u>
Long-term debt outstanding	32,782,996	33,256,113	40,871,099	43,009,601	73,654,095	76,265,714
Other liabilities	8,080,198	7,818,503	1,275,484	1,318,479	9,355,682	9,136,982
Total Liabilities	<u>40,863,194</u>	<u>41,074,616</u>	<u>42,146,583</u>	<u>44,328,080</u>	<u>83,009,777</u>	<u>85,402,696</u>
Deferred Inflows of Resources	<u>1,190,080</u>	<u>1,085,779</u>	<u>417,170</u>	<u>300,457</u>	<u>1,607,250</u>	<u>1,386,236</u>
Net position:						
Net Invested in capital assets,	175,347,890	169,053,563	28,549,842	29,018,484	203,897,732	198,072,047
Restricted	11,302,241	9,447,922	12,728,682	13,395,402	24,030,923	22,843,324
Unrestricted	(4,752,725)	(1,023,578)	1,557,514	(1,498,515)	(3,195,211)	(2,522,093)
Total Net Position	<u>\$ 181,897,406</u>	<u>\$ 177,477,907</u>	<u>\$ 42,836,038</u>	<u>\$ 40,915,371</u>	<u>\$ 224,733,444</u>	<u>\$ 218,393,278</u>

The City's net position increased by \$6.34 million or 2.9 percent, during the fiscal year; reasons for this increase were given above in the Financial Highlights section.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**City of Coachella's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018 (As reclassified)	FY 2019	FY 2018 (As reclassified)	FY 2019	FY 2018 (As reclassified)
<b>REVENUES:</b>						
Program Revenues:						
Charges for services	2,833,149	3,957,639	12,088,754	11,609,382	14,921,903	15,567,021
Operating grants and contributions	7,937,755	9,401,381	-	-	7,937,755	9,401,381
Capital grants and contributions	4,879,449	3,247,640	776,614	2,001,977	5,656,063	5,249,617
General Revenues:						
Property taxes	5,439,836	5,036,564	183,787	146,243	5,623,623	5,182,807
Sales and Use Tax	9,707,573	8,436,931	-	-	9,707,573	8,436,931
Motor Vehicle In Lieu Tax	355,435	287,345	-	-	355,435	287,345
Franchise Taxes	990,696	930,959	-	-	990,696	930,959
Transient Occupancy Tax	143,216	90,361	-	-	143,216	90,361
Utility Users Tax	2,289,439	2,311,494	-	-	2,289,439	2,311,494
Interest and rental income	209,045	182,336	560,759	(8,682)	769,804	173,654
Other revenues	409,173	442,860	679,155	702,169	1,088,328	1,145,029
<b>Total Revenues</b>	<b>35,194,765</b>	<b>34,325,510</b>	<b>14,289,069</b>	<b>14,451,089</b>	<b>49,483,836</b>	<b>48,776,599</b>
<b>EXPENSES</b>						
General government	6,553,545	6,367,765	-	-	6,553,545	6,367,765
Public safety	11,774,356	11,886,177	-	-	11,774,356	11,886,177
Community Development	1,790,318	2,017,025	-	-	1,790,318	2,017,025
Public works	8,328,169	9,249,130	-	-	8,328,169	9,249,130
Parks & recreation	2,568,131	2,681,043	-	-	2,568,131	2,681,043
Interest on long-term debt	670,778	673,403	-	-	670,778	673,403
Operating expenses	-	-	11,458,372	11,992,411	11,458,372	11,992,411
<b>Total Expenses</b>	<b>31,685,297</b>	<b>32,874,543</b>	<b>11,458,372</b>	<b>11,992,411</b>	<b>43,143,669</b>	<b>44,866,954</b>
Increase (Decrease) in Net Position before transfers						
	3,509,468	1,450,967	2,830,697	2,458,678	6,340,167	3,909,645
Net transfers						
	910,030	1,022,479	(910,030)	(1,022,479)	-	-
Increase (Decrease) in Net Position						
	4,419,499	2,473,446	1,920,667	1,436,199	6,340,167	3,909,645
Beginning of Net Position as restated						
	177,477,907	175,004,461	40,915,370	39,479,172	218,393,277	214,483,633
Ending Net Position						
	\$ 181,897,406	\$ 177,477,907	\$ 42,836,038	\$ 40,915,370	\$ 224,733,444	\$ 218,393,278

**Governmental activities:** Governmental activities increased the City's net position by \$4.42 million. Key elements of this increase are as follows:

While total revenues increased \$0.87 million, the City saw an increase in property taxes of \$0.40 million, an increase in sales and use tax of \$1.27 million, and increase in capital grants and contributions of \$1.63 million, an increase of \$0.07 million in motor vehicle in lieu tax, an increase of \$0.06 million in franchise taxes, an increase of \$0.05 million in transient occupancy taxes, a decrease of \$0.02 million in utility users tax, an increase of \$0.03 million in interest and rental income, a decrease of \$0.03 million in other revenues, a decrease of \$1.12 million in charge for services, and a decrease of \$1.46 million in operating grants and contribution.



**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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Total expenses from governmental activities decreased by \$1.19 million during the fiscal year. One of the major decreases was seen by public works of \$0.92 million, and was due to a reclassification of public works expenses in FY 2017-18 that were classified as capital outlays for \$0.97 million. Those expenses were not incurred in FY 2018-19. A decrease in public safety of \$0.11 million due to the reduction of services due to the increase of cost of public and services provided by the County of Riverside Sheriff department, a reduction in community development of \$0.23 million, due to the decrease of services for plan check and inspection services provided from a third party, a decrease in interest on long term debt.

**Business-Type Activities:** Business-type increase its net position by \$1.92 million. Business-type revenues decreased \$0.16 million. The decrease was due to a decrease in capital grants and contributions of \$1.23 million, an increase in charge for services of \$0.48 million, an increase in property taxes of \$0.04 million, an increase in interest and rental income of \$0.57 million, and a decrease in other revenues of \$0.02 million. Expenses decreased \$0.53 million. The decrease was essentially due to a decrease in operating expenses: general supplies, repairs and maintenance, and professional services.

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

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

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

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$18.09 million, a decrease of \$2.69 million in comparison with the prior year. Of the \$18.09 million total, \$8.84 million constitutes non-spendable fund balances, which means that these reserves are not available to fund operating expenditures of the organization; \$10.46 million are restricted fund balances which are the result of external limitations on spending; \$11.30 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; the remainder of (\$12.51) 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 \$6.39 million, while the total General Fund balance was \$15.25 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 57.33 percent of the total budgeted expenditures.

The FY 2018-19 ending fund balance of the City's General Fund is a net total of \$15.24 million which is a decrease of \$2.55 million from FY 2017-18. General Fund revenues are \$22.92 million with expenses at \$20.96 million which is an excess of \$1.96 million of revenues over expenditures. The other financing sources increased the fund balance by \$0.59 million which brings the net change in fund balance for the year to \$2.55 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 \$(16.94) million, a decrease of \$5.79 million. The Development Impact Fund decrease was a direct result of borrowing debt for capital projects funding such as the Coachella Library with \$11.22 million funded with the Coachella Lease Bonds and \$1.87 million funded by General Fund, Senior Center improvement with \$1.42 million funded by the General Fund, park improvement with \$1.91 million funded by General Fund, and the Permit Center with \$1.96 million funded by the General Fund.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**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 \$42.84 million. The Water Authority accounted for \$26.97 million of this total with the Sanitary District accounting for the remaining \$15.86 million.

The *Coachella Water Authority's* change in net position increased \$0.16 million over the fiscal year 2017-18. During the year, the Authority had total revenues and transfers in of \$7.71 million and expenses and transfers out of \$6.49 million. The Authority's total revenues/transfers-in decreased \$0.41 million or 5.09 percent over the previous fiscal year, while expenses/transfers-out decreased \$0.58 million or 8.19 percent.

The *Coachella Sanitary District's* change in net position increased \$0.32 million over the fiscal year 2017-18. The District had revenues and transfers-in of \$6.86 million and expenses and transfers-out of \$6.16 million. Revenues/transfers-in increased \$0.45 million or 7.08 percent while expenses/transfers out increased \$0.13 million or 2.21 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, 2019, amounts to \$255.00 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 \$4.56 million or 1.82 percent over the previous year.

**City of Coachella's Capital Assets Net of Depreciation**

	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Land	\$ 17,364,048	\$ 16,628,848	\$ 887,772	\$ 887,772	\$ 18,251,820	\$ 17,516,620
Buildings & Improvements	19,613,066	4,189,299	557,829	585,257	20,170,895	4,774,556
Construction In Progress	12,552,344	22,183,699	1,396,117	1,203,505	13,948,461	23,387,204
Machinery & Equipment	604,558	664,887	1,377,330	1,734,685	1,981,888	2,399,572
Infrastructure	142,381,503	141,794,165	58,275,080	60,581,616	200,656,583	202,375,781
Totals	\$ 192,515,519	\$ 185,460,898	\$ 62,494,128	\$ 64,992,835	\$ 255,009,647	\$ 250,453,733

Governmental activities had the following projects in progress or completed during fiscal year 2018-19:

- Machinery and Equipment \$129,189
- Buildings \$4,377,543
- Bridges \$1,082,155
- Sidewalks, SRTS, Bike Lanes \$1,535,002
- Street improvements/rehab \$4,190,447
- Traffic signal \$231,925
- Parks \$2,115,664

Additional information on the City of Coachella's capital assets can be found in Footnote 5 to the financial statements.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**Long-Term Debt:** At the end of the current fiscal year, the City's governmental activities had \$32.78 million in bonds, notes payable, compensated absences, claims payable and net pension/OPEB liabilities compared to \$33.26 million the previous year, a decrease of \$.47 million or 1.43 percent. Business type activities had \$40.87 million in bonds, notes payable, contracts and compensated absences, claims payable, and net pension/OPEB liabilities compared to \$43.00 million last year, a decrease of \$2.14 million or 4.97 percent. See Note 6 Long-Term Liabilities.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>
Compensated Absences	\$ 653,953	\$ 552,505	\$ 331,807	\$ 387,230	\$ 985,760	\$ 939,735
Coachella Lease Bonds	11,270,000	11,535,000	-	-	11,270,000	11,535,000
Bond Premium	219,154	227,270	-	-	219,154	227,270
Certificates of Participacion	5,560,000	5,745,000	-	-	5,560,000	5,745,000
Claims Payable	361,579	620,695	-	-	361,579	620,695
Net Pension Liability	11,113,488	11,231,170	4,599,378	4,803,349	15,712,866	16,034,519
Net OPEB Liability	2,563,794	2,239,955	1,655,931	1,458,654	4,219,725	3,698,609
Loans Payable	1,041,028	1,104,518	13,461,128	14,742,803	14,502,156	15,847,321
Revenue Bonds and Notes	-	-	20,822,855	21,617,565	20,822,855	21,617,565
Totals	<b>\$ 32,782,996</b>	<b>\$ 33,256,113</b>	<b>\$ 40,871,099</b>	<b>\$ 43,009,601</b>	<b>\$ 73,654,095</b>	<b>\$ 76,265,714</b>

**Economic Factors and Next Year's Budget**

California's diverse economy continues to expand as job creation remains strong and pushes the state towards pre-recession unemployment levels. In fact, California's economy slightly outpaced the nation's economy by 0.01 percent in the 2017 year and appears to be trending toward a year in which production of goods and services are above normally expected levels – a concept known as “full employment”. This is expected to continue all the way through 2019.

Of the metropolitan areas in California, forecasters expect to see Riverside County increase across the board through the year 2022:

- 2% rise in salaries
- 3% employment gains, strongest in California
- 1.2% population increase, which includes migration from other counties
- 1.4% rise in real per capita income
- 2.5% increase in taxable sales
- 2.9% growth rate of industrial production

The City is looking to make the most of the economic boon. The City has several development projects in the works, including the major La Entrada development, and as we continue to head into the economic expansion, the City is aggressively pursuing government funding for infrastructure improvement. The City has also been proactive in their quest of emerging industries, including opportunities in the cannabis industry and hotel industry.

For instance, in the spring of 2020, the first hotel is set to open for business allowing the City to capitalize on the lucrative music festivals 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.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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In 2019-20 the City of Coachella plans to spend \$39 million on capital improvements, many of them with a focus of building up the city infrastructure. The funding comes from 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 2019-2020 are as follows:

- Widening of Avenue 50 from Calhoun to Harrison. This includes roadway widening, traffic engineering, traffic signal modifications, sidewalk improvements, bicycle lanes and landscaping.
- Construction of the Dillon Road Bridge which connects the Interstate I-10 and the Highway 86 interchange. The Dillon Road bridge and road widening is unique in that it involves many jurisdictions with the City of Coachella taking the lead. The four primary parties who will form an agreement regarding improvements and maintenance for the project include: City of Coachella, City of Indio, the Cabazon Band of Mission Indians, and the Twenty-Nine Palms Band of Mission Indians.
- Construction and promotion of the Caltrans Active Transportation Program. Construction will take place in 14 different locations and it will include the following: bike lanes, crosswalks, pedestrian pathways, sidewalks, and asphalt work.
- Expanding road capacity along Avenue 48 from Jackson Street to Van Buren Street. This busy street, which carries more than 15,000 vehicles a day, will be widened from two lanes to six. Other improvements include new traffic signals and street lighting, installation of curbs, gutters, sidewalks, curb ramps, driveway and bike lines, as well as drainage and landscaping.
- Expansion of the Senior Center. The Seniors of the City will have an expanded facility where they will enjoy program activities which include: outreach services, hot lunches, education, recreation, support groups, information and referral, tax assistance, food distribution, and counseling.

**Sales Tax:** The City continues to experience growth in sales tax revenues. Sales tax revenues had an increase of \$1.27 million compared to the fiscal year 2017-18. During the fiscal year 2018-19, Sales Tax Revenue was \$9.71 million; the largest increases were realized in Transportation, Food Products, General Retail, Business to Business, and Construction.

**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 2019-20 budget was approved with General Fund revenue projections of \$25.89 million providing a balanced budget. Taxes of \$18.80 million, charges for services of \$1.08 million, fines and forfeitures of \$0.46 million, intergovernmental of \$0.78 million, and other revenue of \$0.21 million are expected to be the major contributors in the fiscal year surplus of \$1.58 million.

**Expenditure Outlook:** The fiscal year 2019-20 will see General Fund expenditures budgeted at \$24.32 million. The Public Safety budget continues to dominate with a budget of \$11.86 million, which represents 48.77 percent of the General Fund. Assessments from the public safety community facilities district (CFD) offset some of the burdens of providing police and fire services to a growing population as well as the Utility User Tax that is expected to provide \$2.6 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, 53990 Enterprise Way, Coachella California 92236.

## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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**City of Coachella**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 14,629,378	\$ 6,143,224	\$ 20,772,602
Restricted cash	-	12,703,598	12,703,598
Accounts receivable	1,071,454	1,641,501	2,712,955
Interest receivable	29,659	-	29,659
Due from other governments	5,337,269	154,993	5,492,262
Internal balances	(279,440)	279,440	-
Prepaid items	1,535,324	118,085	1,653,409
Loans receivable	4,563,706	-	4,563,706
Investments with fiscal agent	1,556,854	25,084	1,581,938
Capital assets not being depreciated	29,916,392	2,283,889	32,200,281
Capital assets, net of depreciation	162,599,127	60,210,239	222,809,366
<b>Total Assets</b>	<b>220,959,723</b>	<b>83,560,053</b>	<b>304,519,776</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	-	339,697	339,697
Pension related items	2,869,020	1,421,284	4,290,304
Other postemployments benefits related items	121,937	78,757	200,694
<b>Total Deferred Outflows of Resources</b>	<b>2,990,957</b>	<b>1,839,738</b>	<b>4,830,695</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	6,580,239	523,545	7,103,784
Deposits payable	-	365,308	365,308
Due to other governments	114,043	-	114,043
Unearned revenue	1,335,960	-	1,335,960
Interest payable	49,956	386,631	436,587
Long-term liabilities:			
Due within one year	974,526	2,205,455	3,179,981
Due in more than one year	31,808,470	38,665,644	70,474,114
<b>Total Liabilities</b>	<b>40,863,194</b>	<b>42,146,583</b>	<b>83,009,777</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	1,112,096	366,800	1,478,896
Other postemployment benefits related items	77,984	50,370	128,354
<b>Total Deferred Inflows of Resources</b>	<b>1,190,080</b>	<b>417,170</b>	<b>1,607,250</b>
<b>NET POSITION</b>			
Net investment in capital assets	175,347,890	28,549,842	203,897,732
Restricted for:			
Low income housing	5,630,896	-	5,630,896
Highways and streets	3,225,719	-	3,225,719
Community development	292,278	-	292,278
Capital projects	1,574,103	12,728,682	14,302,785
Debt service	472,571	-	472,571
Other	106,674	-	106,674
Total restricted	11,302,241	12,728,682	24,030,923
Unrestricted	(4,752,725)	1,557,514	(3,195,211)
<b>Total Net Position</b>	<b>\$ 181,897,406</b>	<b>\$ 42,836,038</b>	<b>\$ 224,733,444</b>

**City of Coachella**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
General government	\$ 6,553,545	\$ 796,669	\$ 11,580	\$ -	\$ 808,249
Public safety	11,774,356	473,001	3,071,708	-	3,544,709
Community development	1,790,318	564,547	325,019	-	889,566
Public works	8,328,169	932,899	4,529,448	4,879,449	10,341,796
Parks and recreation	2,568,131	66,033	-	-	66,033
Interest on long-term debt	670,778	-	-	-	-
Total governmental activities	<u>31,685,297</u>	<u>2,833,149</u>	<u>7,937,755</u>	<u>4,879,449</u>	<u>15,650,353</u>
<b>Business-type Activities:</b>					
Water utility	5,866,721	6,221,940	-	376,878	6,598,818
Sewer utility	5,591,651	5,866,814	-	399,736	6,266,550
Total business-type activities	<u>11,458,372</u>	<u>12,088,754</u>	<u>-</u>	<u>776,614</u>	<u>12,865,368</u>
Total primary government	<u>\$ 43,143,669</u>	<u>\$ 14,921,903</u>	<u>\$ 7,937,755</u>	<u>\$ 5,656,063</u>	<u>\$ 28,515,721</u>

(Continued)

**City of Coachella**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>			
General government	\$ (5,745,296)	\$ -	\$ (5,745,296)
Public safety	(8,229,647)	-	(8,229,647)
Community development	(900,752)	-	(900,752)
Public works	2,013,627	-	2,013,627
Parks and recreation	(2,502,098)	-	(2,502,098)
Interest on long-term debt	(670,778)	-	(670,778)
Total governmental activities	(16,034,944)	-	(16,034,944)
<b>Business-type Activities:</b>			
Water utility	-	732,097	732,097
Sewer utility	-	674,899	674,899
Total business-type activities	-	1,406,996	1,406,996
Total primary government	(16,034,944)	1,406,996	(14,627,948)
<b>General Revenues:</b>			
Property taxes	5,439,836	183,787	5,623,623
Sales and use tax	9,707,573	-	9,707,573
Motor vehicle in lieu tax	355,435	-	355,435
Franchise taxes	990,696	-	990,696
Transient occupancy tax	143,216	-	143,216
Utility users tax	2,289,439	-	2,289,439
Investment income	209,045	560,759	769,804
Other revenue	409,173	679,155	1,088,328
<b>Transfers</b>	910,030	(910,030)	-
Total general revenues and transfers	20,454,443	513,671	20,968,114
Change in Net Position	4,419,499	1,920,667	6,340,166
<b>Net Position</b>			
Beginning of year	177,477,907	40,915,371	218,393,278
End of year	\$ 181,897,406	\$ 42,836,038	\$ 224,733,444

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## **FUND FINANCIAL STATEMENTS**



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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Coachella**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General Fund	Special Revenue Funds		Capital Project Fund
		Development Impact	ECD Entitlement Program	Capital Improvement Projects
<b>ASSETS</b>				
Cash and investments	\$ 6,516,572	\$ 1,443,800	\$ 662,228	\$ -
Receivables:				
Accounts receivable	739,918	311,232	-	-
Interest	29,659	-	-	-
Due from other governments	2,127,723	-	2,798,212	-
Loans receivable	-	-	-	-
Due from other funds	664,771	-	-	2,752,347
Prepaid items	1,469,452	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	-
Advance to other funds	7,301,898	-	-	-
<b>Total assets</b>	<b>\$ 18,849,993</b>	<b>\$ 1,755,032</b>	<b>\$ 3,460,440</b>	<b>\$ 2,752,347</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 3,198,616	\$ 172,187	\$ -	\$ 2,243,012
Accrued wages payable	117,281	-	-	4
Due to other governments	-	-	-	-
Due to other funds	-	-	2,798,212	509,331
Unearned revenue	85,565	-	638,666	-
Advance from other funds	-	18,521,782	-	-
<b>Total liabilities</b>	<b>3,401,462</b>	<b>18,693,969</b>	<b>3,436,878</b>	<b>2,752,347</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	206,076	-	1,980,441	-
<b>Fund Balances:</b>				
Nonspendable	8,771,350	-	-	-
Restricted	1,079	-	-	-
Committed	79,063	-	-	-
Assigned	545	-	-	-
Unassigned	6,390,418	(16,938,937)	(1,956,879)	-
<b>Total fund balances</b>	<b>15,242,455</b>	<b>(16,938,937)</b>	<b>(1,956,879)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,849,993</b>	<b>\$ 1,755,032</b>	<b>\$ 3,460,440</b>	<b>\$ 2,752,347</b>

(Continued)

**City of Coachella**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2019**

	Debt Service Fund		
	Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 6,006,778	\$ 14,629,378
Receivables:			
Accounts receivable	-	20,304	1,071,454
Interest	-	-	29,659
Due from other governments	-	411,334	5,337,269
Loans receivable	-	4,563,706	4,563,706
Due from other funds	-	-	3,417,118
Prepaid items	65,872	-	1,535,324
Restricted assets:			
Cash and investments with fiscal agent	922,553	634,301	1,556,854
Advance to other funds	11,219,884	-	18,521,782
<b>Total assets</b>	<b>\$ 12,208,309</b>	<b>\$ 11,636,423</b>	<b>\$ 50,662,544</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ -	\$ 842,857	\$ 6,456,672
Accrued wages payable	-	6,282	123,567
Due to other governments	-	114,043	114,043
Due to other funds	-	389,015	3,696,558
Unearned revenue	-	611,729	1,335,960
Advance from other funds	-	-	18,521,782
<b>Total liabilities</b>	<b>-</b>	<b>1,963,926</b>	<b>30,248,582</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	-	133,826	2,320,343
<b>Fund Balances:</b>			
Nonspendable	65,872	-	8,837,222
Restricted	922,553	9,538,671	10,462,303
Committed	11,219,884	-	11,298,947
Assigned	-	-	545
Unassigned	-	-	(12,505,398)
<b>Total fund balances</b>	<b>12,208,309</b>	<b>9,538,671</b>	<b>18,093,619</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,208,309</b>	<b>\$ 11,636,423</b>	<b>\$ 50,662,544</b>

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**City of Coachella**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-wide Statement of Net Position**  
**June 30, 2019**

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Fund Balances of Governmental Funds	\$	18,093,619
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 government funds.		192,515,519
Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the government-wide financial statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.		2,320,343
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:		
Compensated absences		(653,953)
Long-term debt		(18,090,182)
Claims payable		(361,579)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.		(49,956)
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:		
Deferred outflows of resources related to pensions		2,869,020
Net other postemployment benefits liability		(11,113,488)
Deferred inflows of resources related to pensions		(1,112,096)
Net other postemployment benefits liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:		
Deferred outflows of resources related to other postemployment benefits		121,937
Net other postemployment benefits liability		(2,563,794)
Deferred inflows of resources related to other postemployment benefits		(77,984)
Net Position of Governmental Activities	<u>\$</u>	<u>181,897,406</u>

**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General Fund	Special Revenue Funds		Capital Project Fund
		Development Impact	ECD Entitlement Program	Capital Improvement Projects
<b>REVENUES:</b>				
Taxes	\$ 18,926,194	\$ -	\$ -	\$ -
Licenses, permits and fees	285,092	-	-	-
Charges for services	780,511	-	-	-
Fines, forfeitures and penalties	374,848	-	-	-
Intergovernmental	784,791	-	5,013,587	-
Developer fees	-	537,766	-	-
Special assessments	953,806	-	-	-
Investment income	74,283	153,629	-	-
Other revenue	742,735	-	-	6,341
<b>Total revenues</b>	<b>22,922,260</b>	<b>691,395</b>	<b>5,013,587</b>	<b>6,341</b>
<b>EXPENDITURES:</b>				
Current:				
General government	6,067,202	-	-	-
Public safety - police	8,815,830	-	-	-
Public safety - fire	-	-	-	-
Public safety - animal control	228,416	-	-	-
Community development	1,221,762	-	-	-
Community development - building	354,812	-	-	-
Public works - engineering	900,558	-	-	-
Public works	1,526,062	71,451	11,616	-
Parks and recreation	1,715,245	-	-	-
Capital outlay	129,189	-	-	12,523,326
Debt service:				
Principal retirement	-	63,490	-	-
Interest and fiscal charges	-	155,641	-	-
<b>Total expenditures</b>	<b>20,959,076</b>	<b>290,582</b>	<b>11,616</b>	<b>12,523,326</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,963,184</b>	<b>400,813</b>	<b>5,001,971</b>	<b>(12,516,985)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,091,512	-	-	12,516,985
Transfers out	(2,503,951)	(6,186,961)	(4,845,282)	-
<b>Total other financing sources (uses)</b>	<b>587,561</b>	<b>(6,186,961)</b>	<b>(4,845,282)</b>	<b>12,516,985</b>
<b>Net change in fund balances</b>	<b>2,550,745</b>	<b>(5,786,148)</b>	<b>156,689</b>	<b>-</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 14)	12,691,710	(11,152,789)	(2,113,568)	-
End of year	\$ 15,242,455	\$ (16,938,937)	\$ (1,956,879)	\$ -

(Continued)

**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Debt Service		Total Governmental Funds
	Lease Revenue Bonds	Other Governmental Funds	
<b>REVENUES:</b>			
Taxes	\$ -	\$ 922,386	\$ 19,848,580
Licenses, permits and fees	-	50	285,142
Charges for services	-	101,028	881,539
Fines, forfeitures and penalties	-	-	374,848
Intergovernmental	-	2,833,366	8,631,744
Developer fees	-	-	537,766
Special assessments	-	2,608,577	3,562,383
Investment income	33,038	184,950	445,900
Other revenue	-	64,950	814,026
<b>Total revenues</b>	<b>33,038</b>	<b>6,715,307</b>	<b>35,381,928</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	3,054	6,070,256
Public safety - police	-	-	8,815,830
Fire	-	2,700,542	2,700,542
Public safety - animal control	-	-	228,416
Community development	-	119,662	1,341,424
Building department	-	-	354,812
Engineering department	-	-	900,558
Public works	-	1,307,012	2,916,141
Parks and recreation	-	-	1,715,245
Capital outlay	-	-	12,652,515
Debt service:			
Principal retirement	265,000	185,000	513,490
Interest and fiscal charges	353,826	268,258	777,725
<b>Total expenditures</b>	<b>618,826</b>	<b>4,583,528</b>	<b>38,986,954</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(585,788)</b>	<b>2,131,779</b>	<b>(3,605,026)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	616,225	1,638,091	17,862,813
Transfers out	-	(3,416,589)	(16,952,783)
<b>Total other financing sources (uses)</b>	<b>616,225</b>	<b>(1,778,498)</b>	<b>910,030</b>
<b>Net change in fund balances</b>	<b>30,437</b>	<b>353,281</b>	<b>(2,694,996)</b>
<b>FUND BALANCE:</b>			
Beginning of year, as restated (Note 14)	12,177,872	9,185,390	20,788,615
End of year	\$ 12,208,309	\$ 9,538,671	\$ 18,093,619

(Concluded)

**City of Coachella**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Governmental-wide Statement of Activities**  
**For the Year Ended June 30, 2019**

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Net Change in Fund Balances - Governmental Funds	\$	(2,694,996)
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		12,652,514
Depreciation		(5,597,893)
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the governmental funds.		
		(89,293)
Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.		
Long-term debt principal payments		513,490
Claims payable		259,116
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.		
		(101,448)
Debt service expenditures, as well as interest, are reported only when payment is due in the governmental funds. In the Statement of Activities, interest expenses are recognized in the period in which the liability is incurred.		
		9,078
Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of contribution made after the measurement period in the amount of \$1,090,626.		
		(339,282)
Certain other postemployment benefits expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of contribution made during the measurement period in the amount of \$102,056.		
		(191,787)
Change in Net Position of Governmental Activities	\$	<u>4,419,499</u>



**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Coachella**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

ASSETS	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
<b>Current Assets:</b>			
Cash and investments	5,437,950	\$ 705,274	\$ 6,143,224
Restricted cash	6,776,459	5,927,139	12,703,598
Accounts receivable, net	1,202,378	439,123	1,641,501
Due from other government	5,697	149,296	154,993
Due from other funds	140,060	139,380	279,440
Prepaid items	92,367	25,718	118,085
Total current assets	13,654,911	7,385,930	21,040,841
<b>Noncurrent Assets:</b>			
Investments with fiscal agent	70	25,014	25,084
Capital assets not being depreciated	1,595,516	688,373	2,283,889
Capital assets being depreciated	60,944,527	62,158,652	123,103,179
Less: accumulated depreciation	(33,034,528)	(29,858,412)	(62,892,940)
Total capital assets	29,505,515	32,988,613	62,494,128
Total noncurrent assets	29,505,585	33,013,627	62,519,212
<b>Total assets</b>	43,160,496	40,399,557	83,560,053
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges from debt refunding	146,440	193,257	339,697
Deferred amount related to pensions	674,356	746,928	1,421,284
Deferred amount related to other postemployment benefits	37,143	41,614	78,757
<b>Total deferred outflows of resources</b>	857,939	981,799	1,839,738

(Continued)

**City of Coachella**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2019**

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	320,748	139,245	459,993
Accrued wages payable	31,138	32,414	63,552
Deposits payable	365,308	-	365,308
Interest payable	227,584	159,047	386,631
Compensated absences, due within one year	57,868	67,846	125,714
Bonds payable, due within one year	518,863	250,989	769,852
Loans payable, due within one year	-	1,309,889	1,309,889
Total current liabilities	1,521,509	1,959,430	3,480,939
<b>Noncurrent Liabilities:</b>			
Compensated absences, due in more than one year	55,753	150,340	206,093
Bonds payable, due in more than one year	12,307,456	7,745,547	20,053,003
Loans payable, due in more than one year	-	12,151,239	12,151,239
Net other postemployment benefits liability	780,961	874,970	1,655,931
Net pension liability	2,182,131	2,417,247	4,599,378
Total noncurrent liabilities	15,326,301	23,339,343	38,665,644
<b>Total liabilities</b>	16,847,810	25,298,773	42,146,583
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amount related to pensions	174,025	192,775	366,800
Deferred amount related to other postemployment benefits	23,755	26,615	50,370
<b>Total deferred inflows of resources</b>	197,780	219,390	417,170
<b>NET POSITION</b>			
Net investment in capital assets	16,825,636	11,724,206	28,549,842
Restricted for capital projects	6,776,529	5,952,153	12,728,682
Unrestricted	3,370,680	(1,813,166)	1,557,514
<b>Total Net Position</b>	\$ 26,972,845	\$ 15,863,193	\$ 42,836,038

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**City of Coachella**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,221,940	\$ 5,866,814	\$ 12,088,754
Other revenue	598,860	80,295	679,155
Total operating revenue	<u>6,820,800</u>	<u>5,947,109</u>	<u>12,767,909</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,822,409	2,193,861	4,016,270
Administrative and general	303,426	343,154	646,580
Professional services	810,812	265,536	1,076,348
Materials and supplies	193,977	149,170	343,147
Repairs and maintenance	61,404	226,096	287,500
Utilities	890,703	372,180	1,262,883
Depreciation and amortization	1,300,348	1,390,971	2,691,319
Total operating expenses	<u>5,383,079</u>	<u>4,940,968</u>	<u>10,324,047</u>
Operating income	<u>1,437,721</u>	<u>1,006,141</u>	<u>2,443,862</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Property taxes	-	183,787	183,787
Connection charges	222,211	399,736	621,947
Intergovernmental revenue	154,667	-	154,667
Investment income	374,094	186,665	560,759
Interest expense and fiscal charges	(483,642)	(650,683)	(1,134,325)
Total nonoperating revenues (expenses)	<u>267,330</u>	<u>119,505</u>	<u>386,835</u>
Income before transfers	<u>1,705,051</u>	<u>1,125,646</u>	<u>2,830,697</u>
<b>TRANSFERS</b>			
Transfers in	140,060	139,380	279,440
Transfers out	(618,502)	(570,968)	(1,189,470)
Total transfers	<u>(478,442)</u>	<u>(431,588)</u>	<u>(910,030)</u>
Change in net position	1,226,609	694,058	1,920,667
<b>NET POSITION</b>			
Beginning of year	25,746,236	15,169,135	40,915,371
End of year	<u>\$ 26,972,845</u>	<u>\$ 15,863,193</u>	<u>\$ 42,836,038</u>

**City of Coachella**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water Authority</b>	<b>Sanitary District</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 6,643,202	\$ 5,916,564	\$ 12,559,766
Cash payments to vendors and suppliers	(2,291,875)	(1,313,148)	(3,605,023)
Cash payments to employees for services	(1,878,701)	(1,986,514)	(3,865,215)
Net cash provided by operating activities	<u>2,472,626</u>	<u>2,616,902</u>	<u>5,089,528</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Property taxes received	-	98,913	98,913
Intergovernmental revenue received	148,970	-	148,970
Cash transferred/paid to other funds	(618,502)	(1,182,691)	(1,801,193)
Net cash (used in) noncapital financing activities	<u>(469,532)</u>	<u>(1,083,778)</u>	<u>(1,553,310)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(74,289)	(118,323)	(192,612)
Connection fee received	222,211	399,736	621,947
Principal paid on long-term debt	(505,767)	(1,524,223)	(2,029,990)
Interest paid on long-term debt	(513,495)	(660,028)	(1,173,523)
Net cash used in capital and related financing activities	<u>(871,340)</u>	<u>(1,902,838)</u>	<u>(2,774,178)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on investments	374,094	186,665	560,759
Net cash provided by investing activities	<u>374,094</u>	<u>186,665</u>	<u>560,759</u>
Net change in cash and cash equivalents	1,505,848	(183,049)	1,322,799
<b>Cash and Cash Equivalents:</b>			
Beginning of year	10,708,631	6,840,476	17,549,107
End of year	<u>\$ 12,214,479</u>	<u>\$ 6,657,427</u>	<u>\$ 18,871,906</u>
<b>Cash and Investments:</b>			
Cash and investments	\$ 5,437,950	\$ 705,274	\$ 6,143,224
Restricted cash	6,776,459	5,927,139	12,703,598
Investment with fiscal agent	70	25,014	25,084
Total cash and cash equivalents	<u>\$ 12,214,479</u>	<u>\$ 6,657,427</u>	<u>\$ 18,871,906</u>

(Continued)

**City of Coachella**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Totals
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating income	\$ 1,437,721	\$ 1,006,141	\$ 2,443,862
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,300,348	1,390,971	2,691,319
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(155,402)	(30,545)	(185,947)
Decrease (increase) in prepaid items	4,914	(151)	4,763
Decrease (increase) in deferred outflows of resources - pensions	101,458	86,598	188,056
Decrease (increase) in deferred outflows of resources - OPEB	(37,143)	(41,614)	(78,757)
Increase (decrease) in accounts payable	(36,467)	43,139	6,672
Increase (decrease) in accrued wages payable	(5,222)	(7,618)	(12,840)
Increase (decrease) in deposits payable	(22,196)	-	(22,196)
Increase (decrease) in compensated absences	(69,831)	14,408	(55,423)
Increase (decrease) in net pension liability	(133,289)	(70,682)	(203,971)
Increase (decrease) in net OPEB liability	36,417	160,860	197,277
Increase (decrease) in deferred inflows of resources - pensions	56,846	66,866	123,712
Increase (decrease) in deferred inflows of resources - OPEB	(5,528)	(1,471)	(6,999)
	<u>1,034,905</u>	<u>1,610,761</u>	<u>2,645,666</u>
<b>Net cash provided by operating activities</b>	<u>\$ 2,472,626</u>	<u>\$ 2,616,902</u>	<u>\$ 5,089,528</u>
<b>Noncash Capital and Related Financing Activities</b>			
Amortization of premium on bonds and deferred charges	<u>\$ (24,680)</u>	<u>\$ 113</u>	<u>\$ (24,567)</u>

(Concluded)



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**FIDUCIARY FUND FINANCIAL STATEMENTS**



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**City of Coachella**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Successor Agency Private-Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and investments	\$ 619,295	\$ 3,114,030
Receivables:		
Accounts receivable	5,069	968,147
Loans receivable	952,811	-
Prepaid items	256,257	-
Restricted cash and investments	304	-
Land held for resale	930,077	-
<b>Total assets</b>	<b>2,763,813</b>	<b>\$ 4,082,177</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding	30,747	
<b>LIABILITIES</b>		
Accounts payable	1,730	\$ 383
Pass-through payable	-	3,110,691
Due to refuse service provider	-	62,219
Deposits payable	-	908,884
Accrued interest	554,452	-
Long-term liabilities:		
Due within one year	1,765,000	-
Due in more than one year	33,471,286	-
<b>Total liabilities</b>	<b>35,792,468</b>	<b>\$ 4,082,177</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred gain on refunding	298,437	
<b>NET POSITION HELD IN TRUST</b>	<b>\$ (33,296,345)</b>	

**City of Coachella**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

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	Successor Agency Private-Purpose Trust Fund
<b>ADDITIONS:</b>	
Redevelopment Agency Property Tax Trust Fund	\$ 3,342,969
Use of money and property	67,930
Gain on sale of properties	548,141
<b>Total additions</b>	<b>3,959,040</b>
<b>DEDUCTIONS:</b>	
Interest and fiscal charges	1,129,039
Administrative expense	278,021
Distribution to County of Riverside	1,295,811
Transfer of loans receivable to County of Riverside	1,645,834
Other expenses	173,839
<b>Total deductions</b>	<b>4,522,544</b>
<b>Change in net position</b>	<b>(563,504)</b>
<b>NET POSITION HELD IN TRUST:</b>	
Beginning of year	(32,732,841)
End of year	<b>\$ (33,296,345)</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**



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**City of Coachella**  
**Index to the Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**City of Coachella**  
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**For the Fiscal Year Ended June 30, 2019**

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**City of Coachella**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies**

**A. Financial 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. The 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 “Sanitary District”) was created to provide sanitation and sewage treatment services to the City. The City provides management assistance to the Sanitary District and the members of the City Council also act as the governing body of the Sanitary District. The Sanitary District's activities are blended with those of the City in these financial statements and are reported as an enterprise fund.

Coachella Water Authority – The Coachella Water Authority (the “Water Authority”) was formed on July 1, 2003, under a joint powers agreement. The City 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 the City 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 Water Authority's activities are blended with those of the City in these financial statements and are reported as an enterprise 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. The City provides management assistance to the District and the members of the City Council also act as the governing body of the District. The District's activities are blended with those of the City in these financial statements and are reported as a special revenue fund.

Coachella Financing Authority – The Coachella Financing Authority (the “Financing Authority”) was formed to issue debt, loans and loan proceeds to the City. The Authority is considered a component unit of the City and has been blended into the City's financial statements as Lease Revenue Bonds Debt Service Fund for reporting purposes as the services are provided entirely to the City.

Component unit financial statements for each component unit previously described may be obtained at 53990 Enterprise Way, Coachella, California 92236, except for the Financing Authority.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Measurement Focus, Basis of Accounting and Financial Statement Presentation***

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

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the 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 and eliminations have been made to minimize the double-counting of internal activities. 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 government-wide financial statements are presented on an "*economic resources*" measurement focus and accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Fiduciary activities of the City are not included in these statements.

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 not included in the program revenues are reported as general revenues.

*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 governmental 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.

*Governmental Fund Financial Statements*

Governmental fund financial statements are reported using the "*current financial resources*" measurement focus and the modified accrual basis of accounting. 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. 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)***

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

The ***ECD Entitlement Program Special Revenue 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 ***Capital Improvement Projects Capital Projects Fund*** is used to account for the capital improvement projects which are financed through the general fund and special revenue funds.

The ***Lease Revenue Bonds Debt Service Fund*** is used to account for the funding for the public library and repayment of the lease revenue bonds.

***Proprietary Fund Financial Statements***

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)***

*Proprietary Fund Financial Statements (Continued)*

The City reports the following major proprietary funds:

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

The **Sanitary District Enterprise 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.

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust funds. Both agency funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

The City reports the following fiduciary funds:

**Agency Funds** – These funds account for resources held by the City in a trustee capacity as an agent for JPA waste transfer services, employee benefit/citizen/developer deposits, Coachella Valley Water District for storm drainage and related capital projects, refuse service provided by Burrtec, Coachella Parks and Recreation Foundation, and CFD 2018-1 conduit debt service payments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Private-purpose Trust Fund** – This fund accounts for the assets and liabilities of the Successor Agency to the former Coachella Redevelopment Agency (the "Successor Agency") and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

***C. Cash and Investments***

The City pools idle cash from all funds for the purpose of increasing income through investment activities. For purposes of the Statement of Cash Flows, the Water Authority Enterprise Fund and Sanitary District Enterprise Fund 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.

***D. Fair Value Measurement***

Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***E. Property Taxes Receivable***

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.

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

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

***F. Prepaid Items***

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items using purchase method. Prepaid bond insurance costs are reported as prepaid items and recognized as an expense over the duration of the related debt.

***G. Interfund Transactions***

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 interfund loan receivables are reported as advances and such amounts for General Fund are offset equally by nonspendable fund balance 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.

***H. Capital Assets***

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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**H. Capital Assets (Continued)**

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds.

Depreciation is charges as an expense against operations and accumulated depreciation is reported on the Statement of Net Position.

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

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

**I. Unearned and Unavailable Revenue**

In the government-wide and fund financial statements, unearned revenue is reported for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the government-wide financial statements are payments received in advance, prepaid charges for services, and advance grant funding.

In the governmental fund financial statements, unavailable revenue is reported when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City reports unavailable revenue when an asset is reported in governmental fund financial statements but the revenue is not available to pay for current expenditures.

**J. Long-Term Liabilities**

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts 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 recognized as an expense in the period incurred.

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

**K. Compensated Absences**

City employees have vested interest in varying levels of vacation, sick leave and compensatory time based on their length of employment. It is the policy of the City to pay all accumulated vacation pay and all or a portion of sick pay when an employee retires or terminates. The long-term amount is included as a liability in the governmental activities of the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All of the liability for compensated absences applicable to proprietary funds is reported in those funds.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**L. Claims Payable**

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" ("IBNR") claims. There is no fixed payment schedule to pay these liabilities.

**M. Pension**

For purposes of measuring the aggregate net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**N. Other Postemployment Benefits**

For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, benefit payments are recognized when due and payable in accordance with benefit terms.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The gain and loss are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***O. Deferred Outflows and Inflows of Resources***

The statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The City reports pension contribution after measurement date and deferred loss related to pension, OPEB, debt refunding in this category.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time. The City reports unavailable revenues and deferred gain related to pension and OPEB in this category.

***P. Net Position***

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, capital asset related debt net of unspent bond proceeds, deferred charges, and retention payable.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

***Q. Fund Balances***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes as follows:

Nonspendable - 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 - amounts with constraints placed on their use that are either (a) externally imposed by creditors, granters, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes pursuant to formal action of City Council (highest level of decision-making authority) through ordinances as they constitute the most binding constraint. 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 - amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor 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. The authority for assigning fund balance is expressed by the city manager or the appointed designee based on the City's approved policies.



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 1 – Financial Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**Q. Fund Balances (Continued)**

*Unassigned* – amounts that represent the residual net resources in excess of the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**R. Spending Policy**

*Government-Wide Financial Statements and the Proprietary Fund Financial Statements*

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City’s practice is to apply the restricted component of net position first, then use the unrestricted component of net position as needed.

*Governmental Fund Financial Statements*

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City’s practice is to apply restricted fund balances first, then use unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance: committed, assigned, and unassigned.

**S. Use of Estimates**

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2 – Cash and Investments**

Cash and investments at June 30, 2019 are classified as follows:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 14,629,378	\$ 6,143,224	\$ 3,733,325	\$ 24,505,927
Restricted cash	-	12,703,598	-	12,703,598
Cash and investment with fiscal agent	1,556,854	25,084	304	1,582,242
Total cash and investments	<u>\$ 16,186,232</u>	<u>\$ 18,871,906</u>	<u>\$ 3,733,629</u>	<u>\$ 38,791,767</u>

Cash and investments at June 30, 2019 consisted of the following:

Cash and Investments:	
Petty cash	\$ 3,075
Deposits with financial institutions	13,193,801
Pool cash with County of Riverside	161,737
Investments	25,433,154
Total cash investments	<u>\$ 38,791,767</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**A. Demand Deposits**

The carrying amounts of the City’s demand deposits were \$13,193,801 at June 30, 2019. Bank balances at that date were \$14,648,419, the total amount of which was insured or collateralized with accounts held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City’s name.

The market value of pledged securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

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

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

Authorized Investment Type	Maturity <sup>(1)</sup>	Maximum Percentage of Portfolio <sup>(2)</sup>	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	None	100%	65 Million/account
U.S. Treasury	5 years	None	None
Federal agency	5 years	None	40%
U.S. government sponsored enterprise securities	5 years	None	40%
State of California obligations	5 years	None	5%
Obligation of the the other 49 states	5 years	None	5%
Obligations of local agencies in California	5 years	None	5%
County pool	5 years	None	10 million
Bankers' acceptance	180 days	40%	5%
Commercial paper	270 days	25%	5%
Negotiable certificate of deposit	5 years	30%	5%
Nonnegotiable certificate of deposit	5 years	None	None
Medium term notes	5 years	30%	5%
Money market funds	N/A	20%	None
Local Government Investment Pools (LGIPs)	None	None	None
Asset-Backed Securities (ABS)	5 years	20%	5%
Supernational	5 years	30%	None

<sup>(1)</sup> The average dollar weighted maturity of a portfolio may not exceed 3 years. At least 10% of the portfolio shall be invested in instruments, which can be liquidated on one day’s notice.

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

**C. 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**D. Fair Value Measurement**

At June 30, 2019, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2019:

Investment Type	Value	Fair Value Measurement		Uncategorized
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Investments:				
US Treasury notes	\$ 7,055,206	\$ 7,055,206	\$ -	\$ -
Supranational agency bonds <sup>(1)</sup>	502,918	-	502,918	-
US government sponsored enterprise securities <sup>(1)(2)</sup>	3,901,927	-	3,901,927	-
Corporate note <sup>(1)</sup>	4,333,267	-	4,333,267	-
Negotiable certificates of deposit <sup>(3)</sup>	2,692,434	-	2,692,434	-
Asset-backed securities <sup>(2)</sup>	831,264	-	831,264	-
Money market funds	46,113	-	-	46,113
LAIF	4,649,520	-	-	4,649,520
Investments with Fiscal Agent:				
Money market funds	969,267	-	-	969,267
Investment agreement	451,238	-	451,238	-
<b>Total investments</b>	<b>\$ 25,433,154</b>	<b>\$ 7,055,206</b>	<b>\$ 12,713,048</b>	<b>\$ 5,664,900</b>

<sup>(1)</sup> Corporate bonds and United States government sponsored agency securities are valued by surveying the dealer's community, obtaining relevant trade data, benchmark quotes and spreads and incorporating this information into the evaluation processes. Price spread basis is determined by the observed market data. Spread basis is by creating a bullet (non-call) spread scale for relevant maturities of each issuer. These spreads represent credit risk and are based on the new issue market, secondary trading and dealer quotes. Each issuer-spread line has the capability to link parent/subsidiary and related companies to capture relevant movements. An Option Adjusted Spread ("OAS") model is incorporated to adjust spreads of issues that have early redemption features. Spreads calculated continuously throughout the day, as well as "end of day". Retail instruments are evaluated incorporating trades of all lot sizes. Prices basis is by matching each issue to its best-known market maker, monitoring new issues and determining their relevance to other securities. Crossover issues are evaluated based on how they treated by the marketplace – either on a spread or a price basis.

<sup>(2)</sup> Priced based on Standard Inputs, listed in approximately order or priority for use when available, include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Evaluators may prioritize inputs differently on any given day for any security, and not all inputs listed are available for use in the evaluation process on any given day for each security evaluation. Interactive Data also monitors market indicators, and industry and economic events. Information of this nature is a trigger to acquire further corroborating market data.

<sup>(3)</sup> Negotiable certificates of deposits are valued by a certificate deposit scale created daily for long term certificate deposits with maturities going out to forty years. These rates are obtained from various market makers and dealers, as well as data from the new issue market and continually follow the primary market and focus on changing market conditions as shown through new issue prices. An OAS model is incorporated to adjust the yields of issues that have early redemption features.

**E. Risk Disclosures**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	Amount	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
<b>Investments:</b>						
US Treasury notes	\$ 7,055,206	\$ -	\$ -	\$ 2,717,283	\$ 2,432,413	\$ 1,905,510
Supranational agency bonds	502,918	-	227,928	274,990	-	-
US government sponsored enterprise securities	3,901,927	299	-	2,586,128	620,315	695,185
Corporate note	4,333,267	542,394	1,858,761	1,386,136	277,933	268,043
Negotiable certificates of deposit	2,692,434	1,039,728	1,652,706	-	-	-
Asset-backed securities	831,264	-	-	-	283,403	547,861
Money market funds	46,113	46,113	-	-	-	-
LAIF	4,649,520	4,649,520	-	-	-	-
<b>Investments with Fiscal Agent:</b>						
Money market funds	969,267	969,267	-	-	-	-
Investment agreement	451,238	-	-	-	-	451,238
<b>Total investments</b>	<b>\$ 25,433,154</b>	<b>\$ 7,247,321</b>	<b>\$ 3,739,395</b>	<b>\$ 6,964,537</b>	<b>\$ 3,614,064</b>	<b>\$ 3,867,837</b>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating as of year end for each investment type:

Investment Type	Minimum Legal Rating	Total	Minimum Rating				
			AAA	AA- to AA+	A- to A+	BBB	Unrated
<b>Investments:</b>							
US Treasury notes	N/A	\$ 7,055,206	\$ 7,055,206	\$ -	\$ -	\$ -	\$ -
Supranational agency bonds	AA	502,918	502,918	-	-	-	-
US government sponsored enterprise securities	N/A	3,901,927	-	3,901,927	-	-	-
Corporate note	A	4,333,267	-	1,194,178	2,450,500	688,589	-
Negotiable certificates of deposit	A	2,692,434	-	698,448	1,993,986	-	-
Asset-backed securities		831,264	435,656	-	-	-	395,608
Money market funds	N/A	46,113	46,113	-	-	-	-
LAIF	N/A	4,649,520	-	-	-	-	4,649,520
<b>Investments with Fiscal Agent:</b>							
Money market funds	N/A	969,267	-	-	-	-	969,267
Investment agreement	N/A	451,238	-	-	-	-	451,238
<b>Total investments</b>		<b>\$ 25,433,154</b>	<b>\$ 8,039,893</b>	<b>\$ 5,794,553</b>	<b>\$ 4,444,486</b>	<b>\$ 688,589</b>	<b>\$ 6,465,633</b>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (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, 2019 are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	US government sponsored enterprise securities	\$ 2,504,340

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. At June 30, 2019, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California law.

**F. Investments in Local Agency Investment Fund (“LAIF”)**

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2019 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations), or credit card receivables.

As of June 30, 2019, the City had \$4,649,520 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes, Medium-term Asset-Backed Securities, and Short-term Asset Backed Commercial Paper. 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 fair value of LAIF was calculated by applying a factor of 1.001711790 to the total investments held by LAIF.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 3 – Interfund Transactions**

**A. Due From/To Other Funds**

At June 30, 2019, the City had the following due from/to other funds:

		Due From Other Funds				
Due To Other Funds		General Fund	Capital Improvement Capital Projects Fund	Water Authority Enterprise Fund	Sanitary District Enterprise Fund	Total
ECD Entitlement Program Special Revenue Fund		\$ -	\$ 2,518,772	\$ 140,060	\$ 139,380	\$ 2,798,212
Capital Improvement Projects Capital Projects Fund		509,331	-	-	-	509,331
Nonmajor Governmental Funds		155,440	233,575	-	-	389,015
<b>Total</b>		<b>\$ 664,771</b>	<b>\$ 2,752,347</b>	<b>\$ 140,060</b>	<b>\$ 139,380</b>	<b>\$ 3,696,558</b>

The Capital Improvement Capital Projects Fund has various capital projects in construction. Short-term borrowing is provided by the General Fund in order to keep these projects in construction. At June 30, 2019, interfund loan due to the General Fund from the Capital Improvements Projects Capital Project Fund totaling \$509,331. ECD Entitlement Program Special Revenue Fund reported interfund payable to Capital Improvement Capital Projects Fund, Water Authority Enterprise Fund, and Sanitary District Enterprise Fund for grant funding to be provided in the amount of \$2,518,772, \$140,060, and \$139,380, respectively. Nonmajor governmental funds reported \$155,440 and \$233,575 interfund payable to General Fund and Capital Improvement Capital Projects Fund, respectively, for reimbursable expenditures and short-term loans to cover deficit cash.

**B. Advances To/From Other Funds**

At June 30, 2019, the City had the following advances to/from other funds:

		Advance To Other Funds
Advance From Other Fund	General Fund	
Development Impact Special Revenue Fund	\$	18,521,782

Library Development Impact Fee Loans

During the year ended June 30, 2017, the City Council approved interfund fund loans between General Fund and Development Impact Special Revenue Fund for the acquisition of the real property, the library site, the design of the library for total of \$1,382,500. During the year ended June 30, 2018, the City Council approved additional interfund loan from the General Fund to the Development Impact Special Revenue Fund for the construction of the library in the amount of \$8,391,348. These loans bear simple interest computed at a rate per annum equal to the average monthly rate from LAIF from the date of loan to the date of repayment. At June 30, 2019, principal amount outstanding and accrued interest were in the amount of \$1,870,638 and 14,958, respectively.

Starting from the year ended June 30, 2018, the City began drawing down 2016 Lease Revenue Bonds proceed for the construction of the library. As of June 30, 2019, \$11,219,884 was advanced to the Library Development Impact Special Revenue Fund for the construction of the library from Lease Revenue Bonds Debt Service Fund.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 3 – Interfund Transactions (Continued)**

**B. Advances To/From Other Fund (Continued)**

Park Development Impact Fee Loans

During the year ended June 30, 2017 and 2018, the City Council approved interfund fund loans between General Fund and Development Impact Special Revenue Fund for the construction of Veterans’ Memorial Park in the amount of \$1,200,000 and \$657,000, respectively. During the year ended June 30, 2018, the City Council approved additional interfund loan from the General Fund to the Development Impact Special Revenue Fund for the construction of the Cesar Chavez Memorial Park Project in the amount of \$50,000. These loans bear simple interest computed at a rate per annum equal to the average monthly rate from LAIF from the date of loan to the date of repayment. At June 30, 2019, principal amount outstanding and accrued interest were in the amount of \$1,907,000 and \$77,635, respectively.

General Government Impact Fee Loans

During the year ended June 30, 2018, the City Council approved interfund loan from the General Fund to the Development Impact Special Revenue Fund for the construction of the Permit Center and Senior Center in the amount of \$1,580,000 and \$299,679, respectively. During the year ended 2019, the City Council approved additional interfund loan from the General Fund to the Development Impact Special Revenue Fund for the construction of the Permit Center and Senior Center in the amount of \$605,000 and \$1,122,172, respectively. These loans bear simple interest computed at a rate per annum equal to the average monthly rate from LAIF from the date of loan to the date of repayment. At June 30, 2019, principal amount outstanding and accrued interest were in the amounts of \$3,376,851 and \$54,815, respectively.

**C. Transfers**

During the year ended June 30, 2019, the City had the following transfers:

	Transfers in						Total
	General Fund	Capital Improvement Capital Projects Fund	Lease Revenue Bonds Debt Service Fund	Nonmajor Governmental Funds	Water Authority Enterprise Fund	Sanitary District Enterprise Fund	
<b>Transfers out</b>							
General Fund	\$ -	\$ 249,635	\$ 616,225	\$ 1,638,091	\$ -	\$ -	\$ 2,503,951
Development Impact Special Revenue Funds	249,635	5,937,326	-	-	-	-	6,186,961
ECD Entitlement Program Special Revenue Fund	-	4,565,842	-	-	140,060	139,380	4,845,282
Nonmajor Governmental Funds	1,652,407	1,764,182	-	-	-	-	3,416,589
Water Authority Enterprise Fund	618,502	-	-	-	-	-	618,502
Sanitary District Enterprise Fund	570,968	-	-	-	-	-	570,968
<b>Total</b>	<b>\$ 3,091,512</b>	<b>\$ 12,516,985</b>	<b>\$ 616,225</b>	<b>\$ 1,638,091</b>	<b>\$ 140,060</b>	<b>\$ 139,380</b>	<b>\$ 18,142,253</b>

Transfers from the nonmajor governmental funds to General Fund in the amount of \$1,652,407 were mainly to provide funding for street maintenance and code enforcement. Transfers from Water Authority Enterprise Fund and Sanitary District Enterprise Fund to General Fund were to provide funding for general government and public works administrative expenses.

Transfers from Development Impact Special Revenue Fund to Capital Improvement Capital Projects Fund in the amount of \$5,937,326 were for the construction of the Library, street projects, permit center, and senior center.

Transfers from ECD Entitlement Program Special Revenue Fund and nonmajor governmental funds to Capital Improvement Capital Projects Fund were to provide funding for the street and related capital projects.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 3 – Interfund Transactions (Continued)**

**C. Transfers (Continued)**

Transfer from General Fund to Lease Revenue Bonds Debt Service Fund in the amount of \$616,225 was to provide funding for repayment of the lease revenue bonds.

Transfers from General Fund to nonmajor governmental funds were to provide funding for repayment of the Gas Tax certificates of participation in the amount of \$406,367, to cover expenses incurred by Air Quality Improvement Fund in the amount of \$6,898, and to cover overhead incurred by the Fire District in the amount of \$1,224,826.

**Note 4 – 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. Total outstanding balance at June 30, 2019 was \$4,563,706.

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 Coachella Redevelopment Agency on January 31, 2012. Total outstanding balance at June 30, 2019 was \$952,811.

**Note 5 – Capital Assets**

The summary of changes in capital assets for the governmental activities for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Reclassifications	Balance June 30, 2019
<i>Capital assets not being depreciated:</i>					
Land	\$ 16,628,848	\$ 735,200	\$ -	\$ -	\$ 17,364,048
Construction in progress	22,183,699	11,788,125	-	(21,419,480)	12,552,344
Total capital assets not being depreciated	<u>38,812,547</u>	<u>12,523,325</u>	<u>-</u>	<u>(21,419,480)</u>	<u>29,916,392</u>
<i>Capital assets being depreciated:</i>					
Buildings	8,786,448	-	-	15,644,354	24,430,802
Machinery and equipment	7,665,521	129,189	-	-	7,794,710
Furniture and fixture	6,978	-	-	-	6,978
Infrastructure	207,066,222	-	-	5,775,126	212,841,348
Total capital assets being depreciated	<u>223,525,169</u>	<u>129,189</u>	<u>-</u>	<u>21,419,480</u>	<u>245,073,838</u>
<i>Less accumulated depreciation for:</i>					
Buildings	(4,597,149)	(220,587)	-	-	(4,817,736)
Machinery and equipment	(7,000,634)	(189,518)	-	-	(7,190,152)
Furniture and fixture	(6,978)	-	-	-	(6,978)
Infrastructure	(65,272,057)	(5,187,788)	-	-	(70,459,845)
Total accumulated depreciation	<u>(76,876,818)</u>	<u>(5,597,893)</u>	<u>-</u>	<u>-</u>	<u>(82,474,711)</u>
Total capital assets being depreciated, net	<u>146,648,351</u>	<u>(5,468,704)</u>	<u>-</u>	<u>21,419,480</u>	<u>162,599,127</u>
<b>Total governmental activities</b>	<u>\$ 185,460,898</u>	<u>\$ 7,054,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,515,519</u>



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 5 – Capital Assets (Continued)**

The depreciation was charged to the governmental activities as follows:

General government	\$	340,002
Fire		70,102
Public works		4,378,393
Parks and recreation		809,396
<b>Total depreciation expense</b>	<b>\$</b>	<b><u>5,597,893</u></b>

The summary of changes in capital assets for the business-type activities for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<i>Capital assets not being depreciated:</i>				
Land	\$ 887,772	\$ -	\$ -	\$ 887,772
Construction in progress	1,203,505	192,612	-	1,396,117
Total capital assets not being depreciated	<u>2,091,277</u>	<u>192,612</u>	<u>-</u>	<u>2,283,889</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,221,306	-	-	1,221,306
Machinery and equipment	12,723,475	-	-	12,723,475
Infrastructure	109,158,399	-	-	109,158,399
Total capital assets being depreciated	<u>123,103,180</u>	<u>-</u>	<u>-</u>	<u>123,103,180</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(636,049)	(27,428)	-	(663,477)
Machinery and equipment	(10,988,790)	(357,355)	-	(11,346,145)
Infrastructure	(48,576,783)	(2,306,536)	-	(50,883,319)
Total accumulated depreciation	<u>(60,201,622)</u>	<u>(2,691,319)</u>	<u>-</u>	<u>(62,892,941)</u>
Total capital assets being depreciated, net	<u>62,901,558</u>	<u>(2,691,319)</u>	<u>-</u>	<u>60,210,239</u>
<b>Total business-type activities</b>	<b><u>\$ 64,992,835</u></b>	<b><u>\$ (2,498,707)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 62,494,128</u></b>

The depreciation was charged to the business-type activities as follows:

Water	\$	1,300,348
Sanitary		1,390,971
<b>Total depreciation expense</b>	<b>\$</b>	<b><u>2,691,319</u></b>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 6 – Long-Term Liabilities**

**A. Governmental Activities**

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2019 is as follows:

	Balance			Balance June 30, 2019	Classification	
	July 1, 2018	Additions	Deletions		Due within One Year	Due in more than One Year
Loans payable	\$ 1,104,518	\$ -	\$ (63,490)	\$ 1,041,028	\$ 66,077	\$ 974,951
Revenue Bonds:						
2016 Lease Revenue Bonds	11,535,000	-	(265,000)	11,270,000	265,000	11,005,000
2016 Bond premium	227,270	-	(8,116)	219,154	-	219,154
Total revenue bonds	11,762,270	-	(273,116)	11,489,154	265,000	11,224,154
2008 Certificates of Participation	5,745,000	-	(185,000)	5,560,000	190,000	5,370,000
Compensated absences	552,505	556,537	(455,089)	653,953	220,177	433,776
Claims payable	620,695	128,307	(387,423)	361,579	233,272	128,307
Net pension liability	11,231,170	4,955,391	(5,073,073)	11,113,488	-	11,113,488
Net OPEB liability	2,239,955	385,845	(62,006)	2,563,794	-	2,563,794
<b>Total</b>	<b>\$ 33,256,113</b>	<b>\$ 6,026,080</b>	<b>\$ (6,499,197)</b>	<b>\$ 32,782,996</b>	<b>\$ 974,526</b>	<b>\$ 31,808,470</b>

Loans Payable

On October 25, 2016, the City of Coachella entered into a loan agreement with another party to purchase real property in the City. The loan amount 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. The outstanding balance of the loan at June 30, 2019 was in the amount of \$1,041,028.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 66,077	\$ 40,438	\$ 106,515
2021	68,769	37,746	106,515
2022	71,570	34,945	106,515
2023	74,486	32,029	106,515
2024	77,521	28,994	106,515
2025-2029	437,633	94,942	532,575
2030-2032	244,972	12,439	257,411
<b>Total</b>	<b>\$ 1,041,028</b>	<b>\$ 281,533</b>	<b>\$ 1,322,561</b>

2016 Lease Revenue Bonds

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. The outstanding balance of the lease revenue bonds at June 30, 2019 was in the amount of \$11,270,000.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 6 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

2016 Lease Revenue Bonds

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 265,000	\$ 342,731	\$ 607,731
2021	280,000	332,131	612,131
2022	290,000	320,931	610,931
2023	300,000	309,331	609,331
2024	315,000	297,331	612,331
2025-2029	1,755,000	1,295,556	3,050,556
2030-2034	2,000,000	1,056,075	3,056,075
2035-2039	2,270,000	777,025	3,047,025
2040-2044	2,630,000	416,250	3,046,250
2045-2046	1,165,000	52,650	1,217,650
Total	<u>\$ 11,270,000</u>	<u>\$ 5,200,011</u>	<u>\$ 16,470,011</u>

2008 Certificates of Participation

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, 2019, the City has a reserve for debt service of in the amount of \$451,238 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance of the 2008 Certificates of Participation at June 30, 2019 was in the amount of \$5,560,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 190,000	\$ 256,909	\$ 446,909
2021	200,000	249,309	449,309
2022	210,000	241,109	451,109
2023	215,000	232,079	447,079
2024	225,000	222,673	447,673
2025-2029	1,290,000	952,080	2,242,080
2030-2034	1,625,000	619,875	2,244,875
2035-2038	1,605,000	194,988	1,799,988
Total	<u>\$ 5,560,000</u>	<u>\$ 2,969,022</u>	<u>\$ 8,529,022</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 6 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities**

Summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2019 is as follows:

	Balance			Balance June 30, 2019	Classification	
	July 1, 2018	Additions	Deletions		Due within One Year	Due in more than One Year
Loans payable	\$ 14,742,803	\$ -	\$ (1,281,675)	\$ 13,461,128	\$ 1,309,889	\$ 12,151,239
Revenue bonds:						
2005B Wastewater	4,232,754	-	(82,548)	4,150,206	85,989	4,064,217
2015A Wastewater	3,815,000	-	(160,000)	3,655,000	165,000	3,490,000
2008 Water (USDA)	4,482,701	-	(70,767)	4,411,934	73,863	4,338,071
2012 Water Revenue	8,375,000	-	(435,000)	7,940,000	445,000	7,495,000
Bonds premium	712,110	-	(46,395)	665,715	-	665,715
Total revenue bonds	21,617,565	-	(794,710)	20,822,855	769,852	20,053,003
Compensated absences	387,230	282,123	(337,546)	331,807	125,714	206,093
Net pension liability	4,803,349	2,276,350	(2,480,321)	4,599,378	-	4,599,378
Net OPEB liability	1,458,654	237,327	(40,050)	1,655,931	-	1,655,931
<b>Total</b>	<b>\$ 43,009,601</b>	<b>\$ 2,795,800</b>	<b>\$ (4,934,302)</b>	<b>\$ 40,871,099</b>	<b>\$ 2,205,455</b>	<b>\$ 38,665,644</b>

Loans Payable

On September 26, 2005 the Sanitary District entered into a loan agreement with the State of California Water Resources Control Board (“SWRCB”). 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 project was completed in April 2008. The interest rate on this loan is 2.3%. The outstanding balance for the SWRCB loan at June 30, 2019 was in the amount of \$10,885,522.

On September 14, 2011 the Sanitary District entered into a loan payable from the United States Department of Agriculture (“USDA”). 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%. The outstanding balance for the USDA loan at June 30, 2019 was in the amount of \$2,575,606.

Total outstanding balance for the loans payable was in the amount of \$13,461,128.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 6 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 1,309,889	\$ 311,656	\$ 1,621,545
2021	1,338,751	281,488	1,620,239
2022	1,373,278	250,655	1,623,933
2023	1,403,483	219,025	1,622,508
2024	1,434,383	186,700	1,621,083
2025-2029	4,640,739	457,076	5,097,815
2030-2034	365,000	216,434	581,434
2035-2039	410,000	170,953	580,953
2040-2044	465,000	119,653	584,653
2045-2049	520,000	62,059	582,059
2050-2051	200,605	7,153	207,758
Total	<u>\$ 13,461,128</u>	<u>\$ 2,282,852</u>	<u>\$ 15,743,980</u>

2005 Wastewater Revenue Refunding Bonds, Series B

On September 26, 2005, the Financing Authority issued \$5,000,000 Wastewater Revenue Refunding Bonds (USDA), Series 2005B for the 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. The outstanding balance for the 2005 Wastewater Revenue Refunding Bonds, Series B at June 30, 2019 was in the amount of \$4,150,206.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 85,989	\$ 169,422	\$ 255,411
2021	89,572	165,802	255,374
2022	93,305	162,030	255,335
2023	97,194	158,101	255,295
2024	101,244	154,008	255,252
2025-2029	573,142	702,422	1,275,564
2030-2034	702,949	571,262	1,274,211
2035-2039	862,155	410,397	1,272,552
2040-2044	1,057,421	213,098	1,270,519
2045-2046	487,235	20,304	507,539
Total	<u>\$ 4,150,206</u>	<u>\$ 2,726,846</u>	<u>\$ 6,877,052</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 6 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

2015 Wastewater Revenue Refunding Bonds, Series A

On October 15, 2015, the 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 Sanitary District, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2019, the Sanitary District met the rate covenant as required by the bond indenture. The outstanding balance for the 2015 Wastewater Revenue Refunding Bonds, Series A at June 30, 2019 was in the amount of \$3,655,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 165,000	\$ 141,925	\$ 306,925
2021	170,000	136,975	306,975
2022	175,000	130,175	305,175
2023	185,000	121,425	306,425
2024	195,000	112,175	307,175
2025-2029	1,130,000	406,775	1,536,775
2030-2034	1,340,000	184,014	1,524,014
2035	295,000	9,956	304,956
Total	<u>\$ 3,655,000</u>	<u>\$ 1,243,420</u>	<u>\$ 4,898,420</u>

2008 Water Revenue (USDA) Bonds

On July 16, 2008, the 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 I 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 I, 2009, through July I, 2048. The outstanding balance for the 2008 Water Revenue (USDA) Bonds at June 30, 2019 was in the amount of \$4,411,934.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 73,863	\$ 191,406	\$ 265,269
2021	77,094	188,104	265,198
2022	80,467	184,658	265,125
2023	83,988	181,060	265,048
2024	87,662	177,305	264,967
2025-2029	499,305	824,196	1,323,501
2030-2034	618,514	702,381	1,320,895
2035-2039	766,183	551,482	1,317,665
2040-2044	949,106	364,558	1,313,664
2045-2049	1,175,752	133,004	1,308,756
Total	<u>\$ 4,411,934</u>	<u>\$ 3,498,154</u>	<u>\$ 7,910,088</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 6 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

2012 Water Revenue Refunding Bonds

On December 13, 2012, the Water Authority issued \$10,435,000 Water Revenue Refunding 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 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 August 1, 2013 through August 1, 2032. Concurrently with the issuance of the bonds, a surety policy was purchased in lieu of maintaining a reserve balance. The Water Authority, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2019, the Water Authority met the rate covenant as required by the bond indenture. The outstanding balance for the 2012 Water Revenue Refunding Bonds at June 30, 2019 was in the amount of \$7,940,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 445,000	\$ 310,125	\$ 755,125
2021	455,000	301,125	756,125
2022	470,000	287,175	757,175
2023	490,000	284,800	774,800
2024	510,000	228,069	738,069
2025-2029	2,825,000	656,594	3,481,594
2030-2033	2,745,000	245,424	2,990,424
Total	<u>\$ 7,940,000</u>	<u>\$ 2,313,312</u>	<u>\$ 10,253,312</u>

**C. Fiduciary Activities**

Summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2019 is as follows:

	Balance			Balance June 30, 2019	Classification	
	July 1, 2018	Additions	Deletions		Due within One Year	Due in more than One Year
2013 Tax Allocation Bonds	\$ 3,785,000	\$ -	\$ (385,000)	\$ 3,400,000	\$ 390,000	\$ 3,010,000
2014 Tax Allocation Bonds	8,550,000	-	(220,000)	8,330,000	235,000	8,095,000
2016 Tax Allocation Bonds, Series A	13,875,000	-	(535,000)	13,340,000	720,000	12,620,000
2016A Bond premium	1,834,531	-	(100,522)	1,734,009	-	1,734,009
2016 Tax Allocation Bonds, Series B	8,920,000	-	(425,000)	8,495,000	420,000	8,075,000
2016B Bond discount	(66,358)	-	3,635	(62,723)	-	(62,723)
<b>Total</b>	<u>\$ 36,898,173</u>	<u>\$ -</u>	<u>\$ (1,661,887)</u>	<u>\$ 35,236,286</u>	<u>\$ 1,765,000</u>	<u>\$ 33,471,286</u>

2013 Subordinate Tax Allocation Bonds (Merged Project Areas)

On October 1, 2013, the Successor 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 I and September I 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. The outstanding balances for the 2013 Subordinate Tax Allocation Bonds (Merged Project Areas) at June 30, 2019 was in the amount of \$3,400,000.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 6 – Long-Term Liabilities (Continued)**

**C. Fiduciary Activities (Continued)**

2013 Subordinate Tax Allocation Bonds (Merged Project Areas) (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 390,000	\$ 122,287	\$ 512,287
2021	290,000	108,688	398,688
2022	305,000	98,312	403,312
2023	310,000	88,700	398,700
2024	320,000	78,063	398,063
2025-2028	1,785,000	191,256	1,976,256
Total	<u>\$ 3,400,000</u>	<u>\$ 687,306</u>	<u>\$ 4,087,306</u>

2014 Subordinate Tax Allocation Bonds (Merged Project Areas)

On September 1, 2014, the Successor 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. The outstanding balances for the 2014 Subordinate Tax Allocation Bonds (Merged Project Areas) at June 30, 2019 was in the amount of \$8,330,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 235,000	\$ 325,937	\$ 560,937
2021	240,000	317,663	557,663
2022	395,000	305,387	700,387
2023	420,000	285,013	705,013
2024	440,000	269,563	709,563
2025-2029	3,095,000	957,813	4,052,813
2030-2034	3,045,000	325,947	3,370,947
2035	460,000	8,337	468,337
Total	<u>\$ 8,330,000</u>	<u>\$ 2,795,660</u>	<u>\$ 11,125,660</u>

2016 Tax Allocation Refunding Bonds Series A and B

On February 10, 2016, the Successor Agency issued \$14,935,000 and \$9,690,000 of Tax Allocation Refunding Bonds (Merged Project Areas), 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. The outstanding balances for the 2016 Tax Allocation Refunding Bonds, Series A and B at June 30, 2019 were in the amounts of \$13,340,000 and \$8,495,000, respectively.



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 6 – Long-Term Liabilities (Continued)**

**C. Fiduciary Activities (Continued)**

2016 Tax Allocation Refunding Bonds Series A and B (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Series A		Series B		Total
	Principal	Interest	Principal	Interest	
2020	\$ 720,000	\$ 571,000	\$ 420,000	\$ 280,044	\$ 1,991,044
2021	605,000	541,475	420,000	271,381	1,837,856
2022	630,000	510,600	425,000	261,872	1,827,472
2023	665,000	478,225	430,000	251,181	1,824,406
2024	700,000	447,600	450,000	239,350	1,836,950
2025-2029	3,300,000	1,771,500	2,535,000	967,013	8,573,513
2030-2034	4,575,000	680,725	2,800,000	434,956	8,490,681
2035-2037	2,145,000	116,625	1,015,000	59,900	3,336,525
Total	<u>\$ 13,340,000</u>	<u>\$ 5,117,750</u>	<u>\$ 8,495,000</u>	<u>\$ 2,765,697</u>	<u>\$ 29,718,447</u>

Pledged Future Revenues

The City pledged future tax revenues associated with its bond issuances for Series 2013, 2014, 2016A and 2016B. This comprises all of the debt issued in tax allocation debt in this note above. These debt issuances and pledged tax revenues are reported in the fiduciary funds. The pledged tax revenues are to be used solely for the repayment of principal and interest on the bonds until they are paid in full through 2037 and are not available for other purposes during the duration that the bonds are outstanding which are pledged for the respective bonds. The pledged tax revenues totaled \$3,342,969 for the year ended June 30, 2019. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2019 were \$1,565,000 and \$1,355,048, respectively. The total principal and interest remaining is approximately \$44,931,413 with annual payments expected to require 100% of pledged tax revenues.

**D. Non-City Obligation Debt**

The City of Coachella Community Facilities District No. 2018-1 (the “District”) issued City of Coachella (Glenroy) Special Tax Bonds, Series 2018 on August 1, 2018 in the amount of \$5,745,000. The bond proceeds will be used to: (i) finance the acquisition of certain public improvements needed with respect to the development of property located within the District, including public improvements to be owned by the City of Coachella and sewer facilities to be owned and operated by the Coachella Sanitary District; (ii) fund a reserve account for the Bonds; (iii) fund capitalized interest on the Bonds through September 1, 2018; and (iv) pay costs of issuance of the Bonds.

**Note 7 – Compensated Absences**

For governmental activities and business-type activities, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$653,953 and \$331,807, respectively, at June 30, 2019. The City has estimated that for the governmental activities that \$220,177 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the liabilities. Vacation benefits, sick leave, and compensatory time are recorded as expenditures in the related governmental fund financials statements when used. Upon retirement or termination, the expenditures are recorded in the fund which incurred the original obligation. Compensated absences payable for business-type activities are reported within the respective enterprise funds and the City has estimated that for business-type activities that \$125,714 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the liabilities.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 8 – 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”), 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 36-951 Cook Street, Suite 101, Palm Desert, CA 92211.

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, 2019, the amount of these liabilities was \$361,579. This liability is the City's best estimate based on available information.

Changes in the balances of claims payable during the past three years are as follows:

Workers' Compensation	Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	End of Year
2016-2017	\$ 461,825	\$ 179,926	\$ (38,081)	\$ 603,670
2017-2018	603,670	49,947	(32,922)	620,695
2018-2019	620,695	128,307	(387,423)	361,579

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions**

The following is a summary of net pension liabilities and the related deferred outflows/inflows of resources at June 30, 2019 and pension expense for the year then ended:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
Miscellaneous	\$ 785,411	\$ 580,173	\$ 1,365,584
Safety	305,215	-	305,215
Changes of assumptions:			
Miscellaneous	710,859	524,344	1,235,203
Safety	478,623	-	478,623
Difference between expected and actual experience:			
Miscellaneous	239,243	176,470	415,713
Safety	104,812	-	104,812
Difference in projected and actual earnings on pension investments:			
Miscellaneous	30,826	22,737	53,563
Safety	33,027	-	33,027
Adjustment due to differences in proportions:			
Miscellaneous	159,376	117,560	276,936
Safety	21,628	-	21,628
<b>Total deferred outflows of resources</b>	<b>\$ 2,869,020</b>	<b>\$ 1,421,284</b>	<b>\$ 4,290,304</b>
<b>Aggregate net pension liabilities:</b>			
Aggregate net pension liabilities			
Miscellaneous	6,235,434	4,599,378	\$ 10,834,812
Safety	4,878,054	-	4,878,054
<b>Total net pension liabilities</b>	<b>\$ 11,113,488</b>	<b>\$ 4,599,378</b>	<b>\$ 15,712,866</b>
<b>Deferred inflows of resources:</b>			
Changes of assumptions:			
Miscellaneous	\$ 174,218	\$ 128,506	\$ 302,724
Safety	64,575	-	64,575
Difference between expected and actual experience:			
Miscellaneous	81,412	60,051	141,463
Safety	398	-	398
Adjustment due to differences in proportions:			
Miscellaneous	58,519	43,164	101,683
Safety	234,375	-	234,375
Difference between City's contributions and proportionated share of contributions:			
Miscellaneous	183,126	135,079	318,205
Safety	315,473	-	315,473
<b>Total deferred inflows of Resources</b>	<b>\$ 1,112,096</b>	<b>\$ 366,800</b>	<b>\$ 1,478,896</b>
<b>Pension expenses:</b>			
Miscellaneous	\$ 1,013,820	\$ 687,970	\$ 1,701,790
Safety	416,088	-	416,088
<b>Total pension expense</b>	<b>\$ 1,429,908</b>	<b>\$ 687,970</b>	<b>\$ 2,117,878</b>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions (Continued)**

**A. General Information About the Pension Plan**

Plan Description

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan for both miscellaneous and safety employees. There are no active employees in the City’s safety plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from <https://www.calpers.ca.gov/page/forms-publications>.

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	Miscellaneous	Misc Second Tier	Misc PEPRAs	Safety
Active employees	52	7	11	-
Transferred and terminated employees	26	1	-	26
Separated	19	1	3	2
Retired Employees and Beneficiaries	99	-	-	77
Total	196	9	14	105

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRAs Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Cost-Sharing Rate Plans			
	Miscellaneous Rate Plan*	Miscellaneous Second Tier Rate Plan*	PEPRAs Miscellaneous Rate Plan	Safety Rate Plan*
Hire date	Prior to July 1, 2002	Between July 1, 2002 to December 31, 2012	January 1, 2013 and after	Prior to July 1, 2012
Benefit formula	3% @ 60	2% @ 60	2% @ 62	Fire 1/2% @ 55 Police 2% @ 50
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs	minimum 50 yrs

\* Closed to new entrants

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions (Continued)**

**A. General Information About the Pension Plan (Continued)**

Benefit Provided (Continued)

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Public agency cost-sharing plans covered by either the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018 (the measurement date), the contribution rates were as follows:

	<b>Cost-sharing Rate Plans</b>			
	Miscellaneous Rate Plan*	Miscellaneous Second Tier Rate Plan*	PEPRA Miscellaneous Rate Plan	Safety Rate Plan*
Required employee contribution rates	8.000%	7.000%	6.250%	0.000%
Required employer contribution rates	12.698%	7.200%	6.533%	0.000%

\* Closed to new entrants

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 9 – Pensions (Continued)**

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

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The June 30, 2017 valuation was rolled forward to determine June 30, 2018 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

*Change of Assumption*

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

*Long-term Expected Rate of Return*

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as followed:

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1-10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

<sup>1</sup>In the CalPERS's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup>An expected inflation of 2.00% used for this period

<sup>3</sup>An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's 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 of the Plan as of the measurement date, calculated using the discount rate of 7.15%, 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 (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 17,403,715	\$ 10,834,812	\$ 5,412,290
Safety	\$ 7,405,594	\$ 4,878,054	\$ 2,807,187

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Miscellaneous</b>			
Balance at: 6/30/17 (Valuation date)	\$ 41,985,777	\$ 30,783,937	\$ 11,201,840
Balance at: 6/30/18 (Measurement date)	45,261,534	34,426,722	10,834,812
Net Changes during 2017-2018	3,275,757	3,642,785	(367,028)
<b>Safety</b>			
Balance at: 6/30/17 (Valuation date)	\$ 16,355,504	\$ 11,522,825	\$ 4,832,679
Balance at: 6/30/18 (Measurement date)	16,308,713	11,430,659	4,878,054
Net Changes during 2017-2018	(46,791)	(92,166)	45,375

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2017-2018).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City’s share of net pension liability during measurement period.

The City’s proportionate share of the net pension liability was as follows:

	<b>Miscellaneous</b>	<b>Safety</b>
June 30, 2017	0.11295%	0.04873%
June 30, 2018	0.11244%	0.05062%
Change - Increase (Decrease)	-0.00052%	0.00189%

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2017-2018 measurement period is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired).

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Miscellaneous</b>		<b>Safety</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contribution after measurement date	\$ 1,365,584	\$ -	\$ 305,215	\$ -
Changes of assumptions	1,235,203	(302,724)	478,623	(64,575)
Difference between expected and actual experience	415,713	(141,463)	104,812	(398)
Difference between projected and actual earning on pension plan investments	53,563	-	33,027	-
Adjustment due to differences in proportions	276,936	(101,683)	21,628	(234,375)
Difference between City contributions and proportionate share of contributions	-	(318,205)	-	(315,473)
Total	\$ 3,346,999	\$ (864,075)	\$ 943,305	\$ (614,821)

Deferred outflows of resources related to pensions resulting from the City’s contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2020.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 9 – Pensions (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

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

Measurement Period Ended June 30,	Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous	Safety
2020	\$ 1,070,475	\$ 128,519
2021	519,461	99,653
2022	(375,144)	(171,116)
2023	(97,452)	(33,787)
2024	-	-
Thereafter	-	-
	\$ 1,117,340	\$ 23,269

**Note 10 – Other Postemployment Benefits (“OPEB”) Plan**

The following is a summary of net other postemployment benefits (“OPEB”) liabilities and related deferred outflows and inflows of resources as of June 30, 2019 and pension expenses for the year then ended:

	Governmental Activities	Business-type Activities	Total
<b>Deferred outflows of resources:</b>			
Changes of assumption	\$ 121,937	\$ 78,757	\$ 200,694
<b>Net OPEB liability</b>	\$ 2,563,794	\$ 1,655,931	\$ 4,219,725
<b>Deferred inflows of resources:</b>			
Changes of assumption	\$ 77,984	\$ 50,370	\$ 128,354
<b>OPEB expenses</b>	\$ 293,843	\$ 111,521	\$ 405,364

**A. General Information About the OPEB Plan**

Plan Description

The City provides postretirement medical benefits to employees who retire directly from the City under CalPERS under a single-employer defined benefit post-employment benefits plan. Eligible retirees can continue participation in the City medical plans (“PEMHCA”).

Benefits Provided

The City contributes 100% of medical premium up to a capped dollar amount. For 2019, the monthly dollar caps were \$647 for management and elected officials and \$270 for mid-management, sanitary and miscellaneous employees. Future Retirees are eligible for PEMCHA minimum medical benefits (\$133 per month in 2018) if they retire directly from the City at Age 50 and with 5 years CalPERS service or disability retirement. Retiree benefit continues to surviving spouse if retiree elects CalPERS survivor annuity.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 10 – Other Postemployment Benefits (“OPEB”) Plan (Continued)**

**A. General Information About the OPEB Plan (Continued)**

Employees Covered by Benefit Term

Active employees	71
Inactive currently receiving benefit	18
Inactive entitled to but not yet receiving benefit payments	-
Total	89

Contributions

The City makes contributions on a pay-as-you-go basis. There is no pre-funding for the plan.

**B. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal level percentage of salary
Actuarial Assumptions:	
Contribution policy	No prefunding
Discount rate	3.50% at June 30, 2019 (Bond buyer 20-Bond Index) 3.87% at June 30, 2018 (Bond buyer 20-Bond Index)
Expected long-term rate of return on investments	N/A
Global inflation	2.75% per annum
Mortality/retirement/disability/termination rate	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2017
Salary increases	Aggregate - 3.00% per annum Merit - Tables from CalPERS 1997-2015 Experience Study
Healthcare cost trend rates	Non-Medicare - 7.5% for 2020, decreasing to ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2020, decreasing to ultimate rate of 4.0% in 2076 and later years
Maximum monthly benefit increases	Based on PEHMCA Unequal method through 2021. 0% thereafter but no less than PEHMCA minimum
PEHMCA minimum increases	4.25% per annum
Participation at retirement	95% for management and elected officers 75% for mid-management and misc/sanitary employees

Discount Rate

The discount rates used to measure the total OPEB liability were 3.50% and 3.87% at June 30, 2019 and 2018, respectively, based on Bond Buyer 20-bond Index. There is no expected long-term rate of return on investment since there is no pre-funding for OPEB.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 10 – Other Postemployment Benefits (“OPEB”) Plan (Continued)**

**C. Changes in the Net OPEB Liability**

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balances as of June 30, 2018	\$ 3,698,609	\$ -	\$ 3,698,609
Changes during the measurement period:			
Service cost	247,805	-	247,805
Interest	150,757	-	150,757
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	224,305	-	224,305
Employer contribution	-	102,056	(102,056)
Benefit payments	(101,751)	(101,751)	-
Administrative expenses	\$ -	\$ (305)	305
Net changes during measurement period 2018-2019	521,116	-	521,116
Balances as of June 30, 2019 (Measurement Date)	\$ 4,219,725	\$ -	\$ 4,219,725

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) follows:

<b>Net OPEB Liability</b>		
<b>Discount Rate - 1% (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>Discount Rate + 1% (4.50%)</b>
\$ 4,930,844	\$ 4,219,725	\$ 3,653,221

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

<b>Net OPEB Liability</b>		
<b>Healthcare</b>		
<b>1% Decrease</b>	<b>Cost Trend Rate</b>	<b>1% Increase</b>
\$ 3,722,358	\$ 4,219,725	\$ 4,928,637

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized an OPEB expense of \$405,364. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Changes of assumptions	\$ 200,694	\$ (128,354)

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 10 – Other Postemployment Benefits (“OPEB”) Plan (Continued)**

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Deferred Inflows of Resources</u>
2020	\$ 6,497
2021	6,497
2022	6,497
2023	6,497
2024	6,497
Thereafter	39,855
	<u>\$ 72,340</u>

**Note 11 – Classification of Fund Balances**

At June 30, 2019, fund balances are classified in the governmental funds as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>		<u>Capital Improvement</u>	<u>Lease Revenue Bonds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
		<u>Development Impact</u>	<u>ECD Entitlement Program</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>		
<b>Nonspendable:</b>							
Prepaid items	\$ 1,469,452	\$ -	\$ -	\$ -	\$ 65,872	\$ -	\$ 1,535,324
Advance to other fund	7,301,898	-	-	-	-	-	7,301,898
Total nonspendable	<u>8,771,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,872</u>	<u>-</u>	<u>8,837,222</u>
<b>Restricted:</b>							
Debt service	-	-	-	-	-	472,571	472,571
Low income housing	1,079	-	-	-	-	5,629,817	5,630,896
Highway and streets	-	-	-	-	-	3,178,806	3,178,806
Community development	-	-	-	-	-	238,806	238,806
Library project	-	-	-	-	922,553	-	922,553
Fire protection	-	-	-	-	-	18,671	18,671
Total restricted	<u>1,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>922,553</u>	<u>9,538,671</u>	<u>10,462,303</u>
<b>Committed:</b>							
Public facilities - police	14,530	-	-	-	-	-	14,530
Public facilities - general government	64,533	-	-	-	-	-	64,533
Debt service	-	-	-	-	11,219,884	-	11,219,884
Total committed	<u>79,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,219,884</u>	<u>-</u>	<u>11,298,947</u>
<b>Assigned:</b>							
Highway and streets	545	-	-	-	-	-	545
<b>Unassigned (deficit)</b>	6,390,418	(16,938,937)	(1,956,879)	-	-	-	(12,505,398)
<b>Total fund balances</b>	<u>\$ 15,242,455</u>	<u>\$ (16,938,937)</u>	<u>\$ (1,956,879)</u>	<u>\$ -</u>	<u>\$ 12,208,309</u>	<u>\$ 9,538,671</u>	<u>\$ 18,093,619</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**Note 12 – 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, 2019, 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.

**Note 13 – Individual Fund Disclosure**

**A. Expenditures in Excess of Appropriation**

The following funds report expenditures in excess of appropriations for the year ended June 30, 2019.

	<u>Expenditure</u>	<u>Appropriation</u>	<u>Expenditure in Excess of Appropriation</u>
<b>General Fund:</b>			
General government	\$ 6,067,202	\$ 5,231,939	\$ (835,263)
Public works	2,426,620	2,259,027	(167,593)
Capital outlay	129,189	37,337	(91,852)
<b>Development Impact Special Revenue Fund:</b>			
Public works	71,451	-	(71,451)
Interest and fiscal charges	155,641	40,657	(114,984)
<b>ECD Entitlement Program Special Revenue Fund:</b>			
Public works	11,616	-	(11,616)
<b>Lease Revenue Bonds Debt Service Fund:</b>			
Interest and fiscal charges	353,826	351,706	(2,120)
<b>Nonmajor Governmental Funds:</b>			
Air Quality Improvement Special Revenue Fund:			
Public works	44,393	25,000	(19,393)
CDBG Program Income Special Revenue Fund:			
Community development	119,662	-	(119,662)
Home Admin Program Income Special Revenue Fund:			
General government	3,054	2,900	(154)
State Gas Tax Special Revenue Fund:			
Public works	15	-	(15)

**B. Deficit Net Positions and Fund Balances**

Funds with deficit fund balances and net position at June 30, 2019 are as follows:

Development Impact Special Revenue Fund	\$ (16,938,937)
ECD Entitlement Program Special Revenue Fund	(1,956,879)
Successor Agency Private-Purpose Trust Fund	(33,296,345)

The deficit fund balance for Development Impact Special Revenue Fund will be eliminated through future development impact fee revenues. The deficit fund balance for ECD Entitlement Program Special Revenue Fund will be eliminated when the reimbursement from grantors are received. The deficit net position for Successor Agency Private-Purpose Trust Fund will be eliminated with future ROPS payment to pay down outstanding bonds.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 14 – Prior Period Adjustments**

Fund balances as of July 1, 2018 were restated as follows:

	General Fund	Development Impact Special Revenue Funds	Lease Revenue Bonds Debt Service Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Beginning fund balances, as previously reported	\$ 22,714,837	\$ (11,236,227)	\$ 2,272,764
Advances to and from other funds	<u>(10,023,127)</u>	<u>83,438</u>	<u>9,905,108</u>
Beginning fund balances, as restated	<u>\$ 12,691,710</u>	<u>\$ (11,152,789)</u>	<u>\$ 12,177,872</u>

Fund balances at July 1, 2018 were restated to correct the advances to and from other funds and the related interest among the General Fund, the Development Impact Special Revenue Funds and the Lease Revenue Bonds Debt Service Fund.

**Note 15 – Subsequent Event**

In October 2019, City issued \$4,775,000 Gas Tax Revenue Refunding Bonds, Series 2019, to provide funds to (i) refund the 2008 Certificate of Participation, (ii) purchase a debt service reserve surety for the Bonds, and (iii) pay the costs of issuing the Bonds. The bonds bear interest at rates of 3.00% to 4.00% annum payable semi-annually on June 1 and December 1. The final principal payment is due on June 1, 2038.



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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**



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**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 17,834,637	\$ 17,959,637	\$ 18,926,194	\$ 966,557
Licenses, permits and fees	376,000	426,000	285,092	(140,908)
Charges for services	575,000	625,000	780,511	155,511
Fines, forfeitures and penalties	485,000	485,000	374,848	(110,152)
Intergovernmental	2,900,000	2,927,099	784,791	(2,142,308)
Special assessments	1,000,000	1,000,000	953,806	(46,194)
Investment income	40,000	40,000	74,283	34,283
Other revenue	452,000	452,000	742,735	290,735
<b>Total revenues</b>	<b>23,662,637</b>	<b>23,914,736</b>	<b>22,922,260</b>	<b>(992,476)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	4,962,243	5,231,939	6,067,202	(835,263)
Community development	1,325,648	1,375,688	1,221,762	153,926
Community development - building	206,570	306,570	354,812	(48,242)
Public safety - police	9,298,999	9,298,999	8,815,830	483,169
Public safety - animal control	298,000	298,000	228,416	69,584
Public works - engineering	744,127	754,127	900,558	(146,431)
Public works	1,494,900	1,504,900	1,526,062	(21,162)
Parks and recreation	1,755,278	1,755,278	1,715,245	40,033
Capital outlay	20,000	37,337	129,189	(91,852)
<b>Total expenditures</b>	<b>20,105,765</b>	<b>20,562,838</b>	<b>20,959,076</b>	<b>(396,238)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,556,872</b>	<b>3,351,898</b>	<b>1,963,184</b>	<b>(1,388,714)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,848,143	2,981,199	3,091,512	110,313
Transfers out	(4,993,798)	(4,993,798)	(2,503,951)	2,489,847
<b>Total other financing sources (uses)</b>	<b>(3,145,655)</b>	<b>(2,012,599)</b>	<b>587,561</b>	<b>2,600,160</b>
<b>Net changes in fund balance</b>	<b>\$ 411,217</b>	<b>\$ 1,339,299</b>	<b>2,550,745</b>	<b>\$ 1,211,446</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 14)			12,691,710	
End of year			<u>\$ 15,242,455</u>	

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule (Continued)**  
**Development Impact Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Developer fees	\$ 5,555,726	\$ 5,555,726	\$ 537,766	\$ (5,017,960)
Investment income	149,296	149,296	153,629	4,333
<b>Total revenues</b>	<u>5,705,022</u>	<u>5,705,022</u>	<u>691,395</u>	<u>(5,013,627)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	71,451	(71,451)
Debt service:				
Principal retirement	65,857	65,857	63,490	2,367
Interest and fiscal charges	40,657	40,657	155,641	(114,984)
<b>Total expenditures</b>	<u>106,514</u>	<u>106,514</u>	<u>290,582</u>	<u>(184,068)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>5,598,508</u>	<u>5,598,508</u>	<u>400,813</u>	<u>(5,197,695)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(5,462,905)	(5,762,905)	(6,186,961)	(424,056)
<b>Total other financing uses</b>	<u>(5,462,905)</u>	<u>(5,762,905)</u>	<u>(6,186,961)</u>	<u>(424,056)</u>
<b>Net changes in fund balance</b>	<u>\$ 135,603</u>	<u>\$ (164,397)</u>	<u>(5,786,148)</u>	<u>\$ (5,621,751)</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 14)			<u>(11,152,789)</u>	
End of year			<u>\$ (16,938,937)</u>	

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule (Continued)**  
**ECD Entitlement Program Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 12,743,861	\$ 12,863,861	\$ 5,013,587	\$ (7,850,274)
Other revenue	500,000	500,000	-	(500,000)
<b>Total revenues</b>	<u>13,243,861</u>	<u>13,363,861</u>	<u>5,013,587</u>	<u>(8,350,274)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	11,616	(11,616)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>11,616</u>	<u>(11,616)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>13,243,861</u>	<u>13,363,861</u>	<u>5,001,971</u>	<u>(8,361,890)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(13,243,861)	(13,363,861)	(4,845,282)	8,518,579
<b>Total other financing uses</b>	<u>(13,243,861)</u>	<u>(13,363,861)</u>	<u>(4,845,282)</u>	<u>8,518,579</u>
<b>Net changes in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>156,689</u>	<u>\$ 156,689</u>
<b>FUND BALANCE:</b>				
Beginning of year			(2,113,568)	
End of year			<u>\$ (1,956,879)</u>	

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2019**

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**Budgetary Information**

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

1. In May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1<sup>st</sup>. The operating budget includes proposed expenditures and the means for financing them.
2. Public hearings are conducted at City Council meetings to obtain taxpayer comments.
3. Prior to July 1, the budget is adopted by Council action. The budget includes amounts for revenues that, along with appropriations, compute the budgetary fund balances.
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 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, Development Impact Special Revenue Fund, and ECD Entitlement Program Special Revenue Fund are major funds that have legally adopted budgets. The original budget, the final budget and actual amounts are presented in the Budgetary Comparison Schedules. Annual budgets are also adopted for the remaining special revenue funds and debt service funds, except for CalHOME Program Income Special Revenue Fund, Home Program Income Special Revenue Fund, and Road Maintenance - Dillon Road Special Revenue Fund.

The Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual for Capital Improvement Capital Projects Fund and Lease Revenue Bonds Debt Service Fund are presented in the Supplementary Information.

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan**

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014 <sup>1</sup>
City's Proportion of the Net Pension Liability	0.11244%	0.11295%	0.11192%	0.10333%	0.11070%
City's Proportionate Share of the Net Pension Liability	\$ 10,834,812	\$ 11,201,840	\$ 9,684,436	\$ 7,092,438	\$ 6,717,707
City's Covered Payroll	\$ 5,439,535	\$ 5,412,001	\$ 5,475,348	\$ 5,166,649	\$ 5,043,461
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>199.19%</u>	<u>206.98%</u>	<u>176.87%</u>	<u>137.27%</u>	<u>133.20%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>76.06%</u>	<u>73.32%</u>	<u>73.98%</u>	<u>79.89%</u>	<u>79.24%</u>

**California Public Employees' Retirement System ("CalPERS") Safety Plan**

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014 <sup>1</sup>
City's Proportion of the Net Pension Liability	0.05062%	0.04873%	0.04951%	0.05250%	0.05262%
City's Proportionate Share of the Net Pension Liability	\$ 4,878,054	\$ 4,832,679	\$ 4,284,302	\$ 3,603,297	\$ 3,193,181
City's Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.09%</u>	<u>70.45%</u>	<u>72.32%</u>	<u>76.34%</u>	<u>79.34%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions**  
**For the Year Ended June 30, 2019**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan**

Fiscal year	2018-19 <sup>1</sup>
Actuarially Determined Contribution	\$ 1,365,584
Contribution in Relation to the Actuarially Determined Contribution	(1,365,584)
Contribution Deficiency (Excess)	\$ -
Covered Payroll <sup>2</sup>	\$ 5,602,721
Contributions as a Percentage of Covered Payroll	24.37%

**California Public Employees' Retirement System ("CalPERS") Safety Plan**

Fiscal year	2018-19 <sup>1</sup>
Actuarially Determined Contribution	\$ 305,215
Contribution in Relation to the Actuarially Determined Contribution	(305,215)
Contribution Deficiency (Excess)	\$ -
Covered Payroll	N/A
Contributions as a Percentage of Covered Payroll	N/A

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

<sup>2</sup> Includes one year's payroll growth using 3.00 percent payroll assumption from fiscal year 2018 to 2019.

**Notes to Schedule:**

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.



**City of Coachella**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2019**

**Last Ten Fiscal Years (Continued)**

**California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan (Continued)**

Fiscal year	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially Determined Contribution	\$ 1,202,460	\$ 683,057	\$ 628,259	\$ 609,352	\$ 852,591
Contribution in Relation to the Actuarially Determined Contribution	(1,202,460)	(683,057)	(628,259)	(609,352)	(852,591)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll <sup>2</sup>	\$ 5,439,535	\$ 5,412,001	\$ 5,475,348	\$ 5,166,649	\$ 5,043,461
Contributions as a Percentage of Covered Payroll	22.11%	12.62%	11.47%	11.79%	16.90%

**California Public Employees' Retirement System ("CalPERS") Safety Plan (Continued)**

Fiscal year	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially Determined Contribution	\$ 241,940	\$ 195,192	\$ 162,021	\$ 340,965	\$ 298,027
Contribution in Relation to the Actuarially Determined Contribution	(241,940)	(195,192)	(162,021)	(340,965)	(298,027)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

<sup>2</sup> Includes one year's payroll growth using 3.00 percent payroll assumption from fiscal year 2018 to 2019.

**Notes to Schedule:**

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2019	June 30, 2018 <sup>1</sup>
<b>Total OPEB liability</b>		
Service cost	\$ 247,805	\$ 256,623
Interest	150,757	134,880
Differences between expected and actual experience	-	-
Changes of assumption	224,305	(162,582)
Benefit payments	(101,751)	(82,609)
<b>Net change in total OPEB liability</b>	521,116	146,312
<b>Total OPEB liability, beginning</b>	3,698,609	3,552,297
<b>Total OPEB liability, ending (a)</b>	\$ 4,219,725	\$ 3,698,609
<b>OPEB fiduciary net position</b>		
Employer contributions:	\$ 102,056	\$ 82,962
Net investment income	-	-
Benefit payments	(101,751)	(82,609)
Administrative expenses	(305)	(353)
<b>Net change in plan fiduciary net position</b>	-	-
<b>Plan fiduciary net position, beginning</b>	-	-
<b>Plan fiduciary net position, ending</b>	\$ -	\$ -
<b>Plan net OPEB liability - ending (a) - (b)</b>	\$ 4,219,725	\$ 3,698,609
<b>Plan's fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%
<b>Covered payroll</b>	\$ 6,775,511	\$ 6,428,796
<b>Total OPEB liability as a percentage of covered payroll</b>	62.28%	57.53%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Other Postemployment Benefits**  
**For the Year Ended June 30, 2019**

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**Last Ten Fiscal Years**

**Other Postemployment Benefits ("OPEB")**

Fiscal year end	<u>2018-19</u>	<u>2017-18<sup>1</sup></u>
Actuarially determined contribution <sup>2</sup>	\$ -	\$ -
Contribution in relation to the actuarially determined contribution	<u>(102,056)</u>	<u>(82,962)</u>
Contribution deficiency/(excess)	<u>\$ (102,056)</u>	<u>\$ (82,962)</u>
Covered payroll	<u>\$ 6,775,511</u>	<u>\$ 6,428,796</u>
Contributions as a percentage of covered payroll	<u>1.51%</u>	<u>1.29%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

<sup>2</sup> There is no actuarially determined contribution.



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## **SUPPLEMENTARY INFORMATION**

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Improvement Projects Capital Projects Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenue	\$ -	\$ 1,580,000	\$ 6,341	\$ (1,573,659)
<b>Total revenues</b>	<b>-</b>	<b>1,580,000</b>	<b>6,341</b>	<b>(1,573,659)</b>
<b>EXPENDITURES:</b>				
Capital outlay	30,252,720	30,252,720	12,523,326	17,729,394
<b>Total expenditures</b>	<b>30,252,720</b>	<b>30,252,720</b>	<b>12,523,326</b>	<b>17,729,394</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(30,252,720)</b>	<b>(28,672,720)</b>	<b>(12,516,985)</b>	<b>16,155,735</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	27,998,879	27,998,879	12,516,985	(15,481,894)
<b>Total other financing sources</b>	<b>27,998,879</b>	<b>27,998,879</b>	<b>12,516,985</b>	<b>(15,481,894)</b>
<b>Net changes in fund balance</b>	<b>\$ (2,253,841)</b>	<b>\$ (673,841)</b>	<b>-</b>	<b>\$ 673,841</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**Lease Revenue Bonds Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 25,000	\$ 25,000	\$ 33,038	\$ 8,038
<b>Total revenues</b>	<u>25,000</u>	<u>25,000</u>	<u>33,038</u>	<u>8,038</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	265,000	265,000	265,000	-
Interest and fiscal charges	351,706	351,706	353,826	(2,120)
<b>Total expenditures</b>	<u>616,706</u>	<u>616,706</u>	<u>618,826</u>	<u>(2,120)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(591,706)</u>	<u>(591,706)</u>	<u>(585,788)</u>	<u>5,918</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	611,706	611,706	616,225	4,519
Transfers out	-	(5,500,000)	-	5,500,000
<b>Total other financing sources</b>	<u>611,706</u>	<u>(4,888,294)</u>	<u>616,225</u>	<u>5,504,519</u>
<b>Net change in fund balance</b>	<u>\$ 20,000</u>	<u>\$ (5,480,000)</u>	<u>30,437</u>	<u>\$ 5,510,437</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 14)			<u>12,177,872</u>	
End of year			<u>\$ 12,208,309</u>	



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**NONMAJOR GOVERNMENTAL FUNDS**



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## City of Coachella Nonmajor Governmental Funds

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### 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 program.

**Landscape and Lighting District** - used to account for special assessments levied on real property and expenditures to provide landscape 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.

**CalHOME 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 CalHOME grant funds.

**CDBG Program Income** - used to account for the net proceeds from the sales of homes from the 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. It is also used to account for Code Enforcement program funded through CDBG grant funds passed through the County of Riverside Economic Development Agency.

**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. It is also 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.

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

**HOME Program Income** - 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.

**Road Maintenance - Dillon Road** - used to account for revenue received to rehab Dillon Road on a specific site where trucks drive every day.

**Road Maintenance and Rehabilitation Program ("SB 1")** - used to account for street and road maintenance costs financed by the City's allocation of State gasoline taxes, diesel excise tax, vehicle license fee, and vehicle registration fee for zero-emission vehicles.

### Debt Service Fund:

**Street Improvement** - 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**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape and Lighting District	Fire Protection District	CalHOME Program Income
<b>ASSETS</b>					
Cash and investments	\$ 29,840	\$ 827,898	\$ 1,737,888	\$ 531,855	\$ 206,624
Receivables:					
Accounts receivable	-	20,304	-	-	-
Due from other governments	15,345	157,856	33,592	61,536	-
Loans receivable	-	-	-	-	478,805
Restricted assets:					
Cash and investments with fiscal agent	-	-	-	161,730	-
<b>Total assets</b>	<b>\$ 45,185</b>	<b>\$ 1,006,058</b>	<b>\$ 1,771,480</b>	<b>\$ 755,121</b>	<b>\$ 685,429</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 34,650	\$ 105,198	\$ 703,009	\$ -
Accrued wages payable	-	-	4,668	-	-
Due to other governments	11,509	102,534	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>11,509</b>	<b>137,184</b>	<b>109,866</b>	<b>703,009</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	46,913	-	33,441	-
<b>Fund Balances:</b>					
Restricted for:					
Low income housing	-	-	-	-	685,429
Highways and streets	33,676	821,961	1,661,614	-	-
Community development	-	-	-	-	-
Fire	-	-	-	18,671	-
Debt Service	-	-	-	-	-
<b>Total fund balances</b>	<b>33,676</b>	<b>821,961</b>	<b>1,661,614</b>	<b>18,671</b>	<b>685,429</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 45,185</b>	<b>\$ 1,006,058</b>	<b>\$ 1,771,480</b>	<b>\$ 755,121</b>	<b>\$ 685,429</b>

**City of Coachella**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds				
	CDBG Program Income	Home Admin Program Income	Indian Gaming Grants SB 621	State Gas Tax	HOME Program Income
<b>ASSETS</b>					
Cash and investments	\$ 208,951	\$ 238,806	\$ 611,729	\$ 283,727	\$ 652,150
Receivables:					
Accounts receivable	-	-	-	-	-
Due from other governments	53,472	-	-	-	-
Loans receivable	462,432	-	-	-	3,622,469
Restricted assets:					
Cash and investments with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<u>\$ 724,855</u>	<u>\$ 238,806</u>	<u>\$ 611,729</u>	<u>\$ 283,727</u>	<u>\$ 4,274,619</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	1,614	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	189,015	-
Unearned revenue	-	-	611,729	-	-
<b>Total liabilities</b>	<u>1,614</u>	<u>-</u>	<u>611,729</u>	<u>189,015</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	<u>53,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted for:					
Low income housing	669,769	-	-	-	4,274,619
Highways and streets	-	-	-	94,712	-
Community development	-	238,806	-	-	-
Fire	-	-	-	-	-
Debt Service	-	-	-	-	-
<b>Total fund balances</b>	<u>669,769</u>	<u>238,806</u>	<u>-</u>	<u>94,712</u>	<u>4,274,619</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 724,855</u>	<u>\$ 238,806</u>	<u>\$ 611,729</u>	<u>\$ 283,727</u>	<u>\$ 4,274,619</u>

**City of Coachella**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds		Debt Service	Total Nonmajor Governmental Funds
	Road Maintenance Dillon Road	SB 1	Fund Street Improvement	
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 677,310	\$ -	\$ 6,006,778
Receivables:				
Accounts receivable	-	-	-	20,304
Due from other governments	11,077	78,456	-	411,334
Loans receivable	-	-	-	4,563,706
Restricted assets:				
Cash and investments with fiscal agent	-	-	472,571	634,301
<b>Total assets</b>	<u>\$ 11,077</u>	<u>\$ 755,766</u>	<u>\$ 472,571</u>	<u>\$ 11,636,423</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 842,857
Accrued wages payable	-	-	-	6,282
Due to other governments	-	-	-	114,043
Due to other funds	-	200,000	-	389,015
Unearned revenue	-	-	-	611,729
<b>Total liabilities</b>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>1,963,926</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	133,826
<b>Fund Balances:</b>				
Restricted for:				
Low income housing	-	-	-	5,629,817
Highways and streets	11,077	555,766	-	3,178,806
Community development	-	-	-	238,806
Fire	-	-	-	18,671
Debt Service	-	-	472,571	472,571
<b>Total fund balances</b>	<u>11,077</u>	<u>555,766</u>	<u>472,571</u>	<u>9,538,671</u>
<b>Total liabilities, deferred inflows of     resources and fund balances</b>	<u>\$ 11,077</u>	<u>\$ 755,766</u>	<u>\$ 472,571</u>	<u>\$ 11,636,423</u>

**City of Coachella**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape and Lighting District	Fire Protection District	CalHOME Program Income
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 922,386	\$ -
License and permits	-	-	-	50	-
Charges for services	-	-	-	101,028	-
Intergovernmental	59,191	599,831	-	-	-
Special assessments	-	-	2,023,986	584,591	-
Investment income	660	48,598	37,155	17,182	6,405
Other revenue	-	-	-	17,265	-
<b>Total revenues</b>	<b>59,851</b>	<b>648,429</b>	<b>2,061,141</b>	<b>1,642,502</b>	<b>6,405</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	2,700,542	-
Community development	-	-	-	-	-
Public works	44,393	-	1,262,604	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>44,393</b>	<b>-</b>	<b>1,262,604</b>	<b>2,700,542</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>15,458</b>	<b>648,429</b>	<b>798,537</b>	<b>(1,058,040)</b>	<b>6,405</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	6,898	-	-	1,224,826	-
Transfers out	-	(1,300,254)	(268,313)	(164,323)	-
<b>Total other financing sources (uses)</b>	<b>6,898</b>	<b>(1,300,254)</b>	<b>(268,313)</b>	<b>1,060,503</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>22,356</b>	<b>(651,825)</b>	<b>530,224</b>	<b>2,463</b>	<b>6,405</b>
<b>FUND BALANCES:</b>					
Beginning of year	11,320	1,473,786	1,131,390	16,208	679,024
End of year	<u>\$ 33,676</u>	<u>\$ 821,961</u>	<u>\$ 1,661,614</u>	<u>\$ 18,671</u>	<u>\$ 685,429</u>

**City of Coachella**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds				
	CDBG Program Income	Home Admin Program Income	Indian Gaming Grants SB 621	State Gas Tax	Home Program Income
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	403,241	-	-	885,665	-
Special assessments	-	-	-	-	-
Investment income	5,720	7,380	-	-	23,699
Other revenue	18,276	9,159	-	-	20,250
<b>Total revenues</b>	<b>427,237</b>	<b>16,539</b>	<b>-</b>	<b>885,665</b>	<b>43,949</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	3,054	-	-	-
Public safety	-	-	-	-	-
Community development	119,662	-	-	-	-
Public works	-	-	-	15	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>119,662</b>	<b>3,054</b>	<b>-</b>	<b>15</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>307,575</b>	<b>13,485</b>	<b>-</b>	<b>885,650</b>	<b>43,949</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(86,715)	-	-	(1,166,631)	-
<b>Total other financing sources (uses)</b>	<b>(86,715)</b>	<b>-</b>	<b>-</b>	<b>(1,166,631)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>220,860</b>	<b>13,485</b>	<b>-</b>	<b>(280,981)</b>	<b>43,949</b>
<b>FUND BALANCES:</b>					
Beginning of year	448,909	225,321	-	375,693	4,230,670
End of year	<u>\$ 669,769</u>	<u>\$ 238,806</u>	<u>\$ -</u>	<u>\$ 94,712</u>	<u>\$ 4,274,619</u>



**City of Coachella**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds		Debt Service	Total Nonmajor Governmental Funds
	Road Maintenance Dillon Road	SB 1	Fund Street Improvement	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 922,386
License and permits	-	-	-	50
Charges for services	-	-	-	101,028
Intergovernmental	11,077	874,361	-	2,833,366
Special assessments	-	-	-	2,608,577
Investment income	-	-	38,151	184,950
Other revenue	-	-	-	64,950
<b>Total revenues</b>	11,077	874,361	38,151	6,715,307
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	3,054
Public safety	-	-	-	2,700,542
Community development	-	-	-	119,662
Public works	-	-	-	1,307,012
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	185,000	185,000
Interest and fiscal charges	-	-	268,258	268,258
<b>Total expenditures</b>	-	-	453,258	4,583,528
<b>Excess (deficiency) of revenues over expenditures</b>	11,077	874,361	(415,107)	2,131,779
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	406,367	1,638,091
Transfers out	-	(430,353)	-	(3,416,589)
<b>Total other financing sources (uses)</b>	-	(430,353)	406,367	(1,778,498)
<b>Net change in fund balances</b>	11,077	444,008	(8,740)	353,281
<b>FUND BALANCES:</b>				
Beginning of year	-	111,758	481,311	9,185,390
End of year	\$ 11,077	\$ 555,766	\$ 472,571	\$ 9,538,671

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Air Quality Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 57,000	\$ 57,000	\$ 59,191	\$ 2,191
Investment income	-	-	660	660
<b>Total revenues</b>	<u>57,000</u>	<u>57,000</u>	<u>59,851</u>	<u>2,851</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	25,000	25,000	44,393	(19,393)
<b>Total expenditures</b>	<u>25,000</u>	<u>25,000</u>	<u>44,393</u>	<u>(19,393)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>32,000</u>	<u>32,000</u>	<u>15,458</u>	<u>(16,542)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	6,898	6,898
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>6,898</u>	<u>6,898</u>
<b>Net change in fund balance</b>	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>22,356</u>	<u>\$ (9,644)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>11,320</u>	
End of year			<u>\$ 33,676</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**Local Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2019**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 608,000	\$ 608,000	\$ 599,831	\$ (8,169)
Investment income	2,000	2,000	48,598	46,598
<b>Total revenues</b>	<u>610,000</u>	<u>610,000</u>	<u>648,429</u>	<u>38,429</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(1,831,498)	(2,357,498)	(1,300,254)	1,057,244
<b>Total other financing uses</b>	<u>(1,831,498)</u>	<u>(2,357,498)</u>	<u>(1,300,254)</u>	<u>1,057,244</u>
<b>Net change in fund balance</b>	<u>\$ (1,221,498)</u>	<u>\$ (1,747,498)</u>	(651,825)	<u>\$ 1,095,673</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,473,786</u>	
End of year			<u>\$ 821,961</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**Landscape and Lighting District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Special assessments	\$ 2,010,247	\$ 2,010,247	\$ 2,023,986	\$ 13,739
Investment income	-	-	37,155	37,155
<b>Total revenues</b>	<u>2,010,247</u>	<u>2,010,247</u>	<u>2,061,141</u>	<u>50,894</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,838,051	1,838,051	1,262,604	575,447
<b>Total expenditures</b>	<u>1,838,051</u>	<u>1,838,051</u>	<u>1,262,604</u>	<u>575,447</u>
<b>Excess of revenues over expenditures</b>	<u>172,196</u>	<u>172,196</u>	<u>798,537</u>	<u>626,341</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(268,313)	(268,313)	(268,313)	-
<b>Total other financing uses</b>	<u>(268,313)</u>	<u>(268,313)</u>	<u>(268,313)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (96,117)</u>	<u>\$ (96,117)</u>	<u>530,224</u>	<u>\$ 626,341</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,131,390</u>	
End of year			<u>\$ 1,661,614</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Fire Protection District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 530,500	\$ 530,500	\$ 922,386	\$ 391,886
License and permits	-	-	50	50
Charges for services	40,000	40,000	101,028	61,028
Special assessments	605,000	605,000	584,591	(20,409)
Investment income	-	-	17,182	17,182
Other revenue	-	-	17,265	17,265
<b>Total revenues</b>	<u>1,175,500</u>	<u>1,175,500</u>	<u>1,642,502</u>	<u>467,002</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	2,836,701	2,837,270	2,700,542	136,728
<b>Total expenditures</b>	<u>2,836,701</u>	<u>2,837,270</u>	<u>2,700,542</u>	<u>136,728</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,661,201)</u>	<u>(1,661,770)</u>	<u>(1,058,040)</u>	<u>603,730</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,777,783	1,777,783	1,224,826	(552,957)
Transfers out	(116,582)	(116,582)	(164,323)	(47,741)
<b>Total other financing sources (uses)</b>	<u>1,661,201</u>	<u>1,661,201</u>	<u>1,060,503</u>	<u>(600,698)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (569)</u>	2,463	<u>\$ 3,032</u>
<b>FUND BALANCE:</b>				
Beginning of year			16,208	
End of year			<u>\$ 18,671</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**CDBG Program Income Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 504,800	\$ 504,800	\$ 403,241	\$ (101,559)
Investment income	-	-	5,720	5,720
Other revenue	-	-	18,276	18,276
<b>Total revenues</b>	<u>504,800</u>	<u>504,800</u>	<u>427,237</u>	<u>(77,563)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	119,662	(119,662)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>119,662</u>	<u>(119,662)</u>
<b>Excess of revenues over expenditures</b>	<u>504,800</u>	<u>504,800</u>	<u>307,575</u>	<u>(197,225)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(504,800)	(504,800)	(86,715)	418,085
<b>Total other financing uses</b>	<u>(504,800)</u>	<u>(504,800)</u>	<u>(86,715)</u>	<u>418,085</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>220,860</u>	<u>\$ 220,860</u>
<b>FUND BALANCE:</b>				
Beginning of year			448,909	
End of year			<u>\$ 669,769</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**Home Admin Program Income Special Revenue Fund**  
**For the Year Ended June 30, 2019**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 7,380	\$ 7,380
Other revenue	-	-	9,159	9,159
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>16,539</u>	<u>16,539</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,900	2,900	3,054	(154)
<b>Total expenditures</b>	<u>2,900</u>	<u>2,900</u>	<u>3,054</u>	<u>(154)</u>
<b>Net change in fund balance</b>	<u>\$ (2,900)</u>	<u>\$ (2,900)</u>	13,485	<u>\$ 16,385</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>225,321</u>	
End of year			<u>\$ 238,806</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**Indian Gaming Grants SB 621 Special Revenue Fund**  
**For the Year Ended June 30, 2019**

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 590,000	\$ 590,000	\$ -	\$ (590,000)
<b>Total revenues</b>	<u>590,000</u>	<u>590,000</u>	<u>-</u>	<u>(590,000)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(594,347)	(594,347)	-	594,347
<b>Total other financing uses</b>	<u>(594,347)</u>	<u>(594,347)</u>	<u>-</u>	<u>594,347</u>
<b>Net change in fund balance</b>	<u>\$ (4,347)</u>	<u>\$ (4,347)</u>	<u>-</u>	<u>\$ 4,347</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	



**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 990,800	\$ 990,800	\$ 885,665	\$ (105,135)
<b>Total revenues</b>	<u>990,800</u>	<u>990,800</u>	<u>885,665</u>	<u>(105,135)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	15	(15)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>15</u>	<u>(15)</u>
<b>Deficiency of revenues over expenditures</b>	<u>990,800</u>	<u>990,800</u>	<u>885,650</u>	<u>(105,150)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(1,159,502)	(2,292,558)	(1,166,631)	1,125,927
<b>Total other financing uses</b>	<u>(1,159,502)</u>	<u>(2,292,558)</u>	<u>(1,166,631)</u>	<u>1,125,927</u>
<b>Net change in fund balance</b>	<u>\$ (168,702)</u>	<u>\$ (1,301,758)</u>	<u>(280,981)</u>	<u>\$ 1,020,777</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>375,693</u>	
End of year			<u>\$ 94,712</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**SB1 Special Revenue Fund**  
**For the Year Ended June 30, 2019**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 874,361	\$ 614,361
<b>Total revenues</b>	<u>260,000</u>	<u>260,000</u>	<u>874,361</u>	<u>614,361</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	(200,000)	(430,353)	(230,353)
<b>Total other financing uses</b>	<u>-</u>	<u>(200,000)</u>	<u>(430,353)</u>	<u>(230,353)</u>
<b>Net change in fund balance</b>	<u>\$ 260,000</u>	<u>\$ 60,000</u>	444,008	<u>\$ 384,008</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>111,758</u>	
End of year			<u>\$ 555,766</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)**  
**Street Improvement Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 38,151	\$ 38,151
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>38,151</b>	<b>38,151</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	185,000	185,000	185,000	-
Interest and fiscal charges	268,809	268,809	268,258	551
<b>Total expenditures</b>	<b>453,809</b>	<b>453,809</b>	<b>453,258</b>	<b>551</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(453,809)</b>	<b>(453,809)</b>	<b>(415,107)</b>	<b>38,702</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	453,809	453,809	406,367	(47,442)
<b>Total other financing sources</b>	<b>453,809</b>	<b>453,809</b>	<b>406,367</b>	<b>(47,442)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(8,740)</b>	<b>\$ (8,740)</b>
<b>FUND BALANCE:</b>				
Beginning of year			481,311	
End of year			<u>\$ 472,571</u>	



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## **AGENCY FUNDS**



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## City of Coachella Agency Funds

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### Agency Funds:

**JPA Waste Transfer Fund** - 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 drainage and other capital projects.

**Employee Flex Plan Deposits Fund** - 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.

**Coachella Parks and Recreation Foundation Fund** - used to account for the receipts collected and distributed to the Coachella Parks and Recreation Foundation.

**Special Assessment CFD 2018-1 Glenroy Fund** - used to account for proceeds from developer and to make the debt service payments.

**City of Coachella**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2019**

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	JPA Waste Transfer	General Deposits	Flood Control Capital Facilities	Employee Flex Plan Deposits
<b>ASSETS</b>				
Cash and investments	\$ 460,241	\$ 317,589	\$ 2,243,067	\$ -
Accounts receivable	134,866	586,860	-	-
<b>Total Assets</b>	<u>\$ 595,107</u>	<u>\$ 904,449</u>	<u>\$ 2,243,067</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 383	\$ -	\$ -	\$ -
Pass-through payable	594,724	-	2,243,067	-
Due to refuse service provider	-	-	-	-
Deposits payable	-	904,449	-	-
<b>Total liabilities</b>	<u>\$ 595,107</u>	<u>\$ 904,449</u>	<u>\$ 2,243,067</u>	<u>\$ -</u>

(Continued)



**City of Coachella**  
**Combining Statement of Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**June 30, 2019**

	Refuse Fund	Coachella Parks and Recreation Foundation	Special Assessment CFD 2018-1 Glenroy	Total Agency Funds
<b>ASSETS</b>				
Cash and investments	\$ 30,618	\$ 9,153	\$ 53,362	\$ 3,114,030
Accounts receivable	36,036	-	210,385	968,147
<b>Total Assets</b>	<u>\$ 66,654</u>	<u>\$ 9,153</u>	<u>\$ 263,747</u>	<u>\$ 4,082,177</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 383
Pass-through payable	-	9,153	263,747	3,110,691
Due to refuse service provider	62,219	-	-	62,219
Deposits payable	4,435	-	-	908,884
<b>Total liabilities</b>	<u>\$ 66,654</u>	<u>\$ 9,153</u>	<u>\$ 263,747</u>	<u>\$ 4,082,177</u>

(Concluded)

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>JPA Waste Transfer Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 345,917	\$ 1,034,994	\$ (920,670)	\$ 460,241
Accounts receivable	-	134,866	-	134,866
Total Assets	<u>\$ 345,917</u>	<u>\$ 1,169,860</u>	<u>\$ (920,670)</u>	<u>\$ 595,107</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 921,054	\$ (920,671)	\$ 383
Pass-through payable	345,917	863,393	(614,586)	594,724
Total Liabilities	<u>\$ 345,917</u>	<u>\$ 1,784,447</u>	<u>\$ (1,535,257)</u>	<u>\$ 595,107</u>
<b><u>General Deposits Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 281,070	\$ 301,786	\$ (265,267)	\$ 317,589
Accounts receivable	498,284	586,860	(498,284)	586,860
Total Assets	<u>\$ 779,354</u>	<u>\$ 888,646</u>	<u>\$ (763,551)</u>	<u>\$ 904,449</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 779,354	\$ 1,210,104	\$ (1,085,009)	\$ 904,449
Total Liabilities	<u>\$ 779,354</u>	<u>\$ 1,210,104</u>	<u>\$ (1,085,009)</u>	<u>\$ 904,449</u>
<b><u>Flood Control Capital Facilities Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,173,539	\$ 69,527	\$ 1	\$ 2,243,067
Total Assets	<u>\$ 2,173,539</u>	<u>\$ 69,527</u>	<u>\$ 1</u>	<u>\$ 2,243,067</u>
<b>LIABILITIES</b>				
Pass-through payable	\$ 2,173,539	\$ 69,537	\$ (9)	\$ 2,243,067
Total Liabilities	<u>\$ 2,173,539</u>	<u>\$ 69,537</u>	<u>\$ (9)</u>	<u>\$ 2,243,067</u>
<b><u>Employee Flex Plan Deposits Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,746	\$ -	\$ (2,746)	\$ -
Total Assets	<u>\$ 2,746</u>	<u>\$ -</u>	<u>\$ (2,746)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Claims payable	\$ 2,746	\$ -	\$ (2,746)	\$ -
Total Liabilities	<u>\$ 2,746</u>	<u>\$ -</u>	<u>\$ (2,746)</u>	<u>\$ -</u>

(Continued)

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**For the Year Ended June 30, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Refuse Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 30,440	\$ 2,212,164	\$ (2,211,986)	\$ 30,618
Accounts receivable	40,656	36,957	(41,577)	36,036
Total Assets	<u>\$ 71,096</u>	<u>\$ 2,249,121</u>	<u>\$ (2,253,563)</u>	<u>\$ 66,654</u>
<b>LIABILITIES</b>				
Due to refuse service provider	\$ 66,128	\$ 2,244,686	\$ (2,248,595)	\$ 62,219
Deposits payable	4,968	4,435	(4,968)	4,435
Total Liabilities	<u>\$ 71,096</u>	<u>\$ 2,249,121</u>	<u>\$ (2,253,563)</u>	<u>\$ 66,654</u>
<b><u>Coachella Parks and Recreation Foundation</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,150	\$ 12,623	\$ (5,620)	\$ 9,153
Total Assets	<u>\$ 2,150</u>	<u>\$ 12,623</u>	<u>\$ (5,620)</u>	<u>\$ 9,153</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 75	\$ 2,960	\$ (3,035)	\$ -
Pass-through payable	2,075	-	7,078	9,153
Total Liabilities	<u>\$ 2,150</u>	<u>\$ 2,960</u>	<u>\$ 4,043</u>	<u>\$ 9,153</u>
<b><u>Special Assessment CFD 2018-1 Glenroy</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 215,982	\$ (162,620)	\$ 53,362
Accounts receivable	-	210,385	-	210,385
Total Assets	<u>\$ -</u>	<u>\$ 426,367</u>	<u>\$ (162,620)</u>	<u>\$ 263,747</u>
<b>LIABILITIES</b>				
Pass-through payable	\$ -	\$ -	\$ 263,747	\$ 263,747
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,747</u>	<u>\$ 263,747</u>
<b><u>Total Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,835,862	\$ 3,847,076	\$ (3,568,908)	\$ 3,114,030
Accounts receivable	538,940	969,068	(539,861)	968,147
Total Assets	<u>\$ 3,374,802</u>	<u>\$ 4,816,144</u>	<u>\$ (4,108,769)</u>	<u>\$ 4,082,177</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 75	\$ 924,014	\$ (923,706)	\$ 383
Pass-through payable	2,521,531	932,930	(343,770)	3,110,691
Claims payable	2,746	-	(2,746)	-
Due to refuse service provider	66,128	2,244,686	(2,248,595)	62,219
Deposits payable	784,322	1,214,539	(1,089,977)	908,884
Total Liabilities	<u>\$ 3,374,802</u>	<u>\$ 5,316,169</u>	<u>\$ (4,608,794)</u>	<u>\$ 4,082,177</u>

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## **STATISTICAL SECTION**



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## City of Coachella Description of Statistical Section Contents

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

Contents:	Pages
<b>Financial Trends</b> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	134 - 143
<b>Revenue Capacity</b> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	144 - 153
<b>Debt Capacity</b> - These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	154 - 160
<b>Demographic and Economic Information</b> - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	161 - 162
<b>Operating Information</b> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and activities it performs.	163 - 167

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

	Fiscal Years				
	2010	2011	2012	2013	2014
<b>Governmental activities:</b>					
Net investment in					
capital assets	\$ 102,162,696	\$ 101,147,347	\$ 111,247,097	\$ 120,525,667	\$ 132,329,974
Restricted	19,069,214	26,096,284	23,302,650	15,984,734	5,035,089
Unrestricted	(18,766,599)	(25,655,766)	903,304	3,821,526	17,339,942
<b>Total governmental net position</b>	<b>\$ 102,465,311</b>	<b>\$ 101,587,865</b>	<b>\$ 135,453,051</b>	<b>\$ 140,331,927</b>	<b>\$ 154,705,005</b>
<b>Business-type activities:</b>					
Net investment in					
capital assets	\$ 30,565,733	\$ 28,937,151	\$ 31,140,385	\$ 30,060,637	\$ 29,190,240
Restricted	9,383,173	12,386,534	10,544,314	11,808,295	11,781,174
Unrestricted	1,782,324	330,584	680,001	1,550,566	2,427,129
<b>Total business-type net position</b>	<b>\$ 41,731,230</b>	<b>\$ 41,654,269</b>	<b>\$ 42,364,700</b>	<b>\$ 43,419,498</b>	<b>\$ 43,398,543</b>
<b>Primary government:</b>					
Net investment in capital assets	\$ 132,728,429	\$ 130,084,498	\$ 142,387,482	\$ 150,586,304	\$ 161,520,214
Restricted	28,452,387	38,482,818	33,846,964	27,793,029	16,816,263
Unrestricted	(16,984,275)	(25,325,182)	1,583,305	5,372,092	19,767,071
<b>Total primary gov't net position</b>	<b>\$ 144,196,541</b>	<b>\$ 143,242,134</b>	<b>\$ 177,817,751</b>	<b>\$ 183,751,425</b>	<b>\$ 198,103,548</b>

Source: City of Coachella



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

	Fiscal Years				
	2015	2016	2017 <sup>(1)</sup>	2018	2019
<b>Governmental activities:</b>					
Net investment in					
capital assets	\$ 145,593,234	\$ 157,898,999	\$ 166,082,543	\$ 169,053,563	\$ 175,347,890
Restricted	4,053,609	4,053,609	3,795,395	9,447,922	11,302,241
Unrestricted	10,703,722	13,006,316	5,126,523	(1,023,578)	(4,752,725)
<b>Total governmental net position</b>	<b>\$ 160,350,565</b>	<b>\$ 174,958,924</b>	<b>\$ 175,004,461</b>	<b>\$ 177,477,907</b>	<b>\$ 181,897,406</b>
<b>Business-type activities:</b>					
Net investment in					
capital assets	\$ 29,253,731	\$ 29,332,671	\$ 29,366,927	\$ 29,018,484	\$ 28,549,842
Restricted	12,022,868	11,783,670	11,854,918	13,395,402	12,728,682
Unrestricted	(1,800,780)	(2,613,339)	(1,742,673)	(1,498,515)	1,557,514
<b>Total business-type net position</b>	<b>\$ 39,475,819</b>	<b>\$ 38,503,002</b>	<b>\$ 39,479,172</b>	<b>\$ 40,915,371</b>	<b>\$ 42,836,038</b>
<b>Primary government:</b>					
Net investment in capital assets	\$ 174,846,965	\$ 187,231,670	\$ 195,449,470	\$ 198,072,047	\$ 203,897,732
Restricted	16,076,477	15,837,279	15,650,313	22,843,324	24,030,923
Unrestricted	8,902,942	10,392,977	3,383,850	(2,522,093)	(3,195,211)
<b>Total primary gov't net position</b>	<b>\$ 199,826,384</b>	<b>\$ 213,461,926</b>	<b>\$ 214,483,633</b>	<b>\$ 218,393,278</b>	<b>\$ 224,733,444</b>

<sup>(1)</sup> Restated to reflect implementation of GASB 75 and prior period adjustments

Source: City of Coachella

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

	Fiscal Years				
	2010	2011	2012	2013	2014
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 5,705,993	\$ 4,605,459	\$ 6,111,900	\$ 4,998,607	\$ 4,124,482
Public safety	8,875,765	9,935,026	10,307,033	11,303,766	11,189,847
Community development	-	-	-	-	-
Public works	11,861,550	11,699,266	3,973,174	6,965,830	7,262,906
Parks and recreation	1,006,144	1,334,218	1,434,101	1,854,340	2,376,873
Interest on long-term debt	2,925,495	2,878,831	875,283	302,426	296,609
Total governmental activities	<u>30,374,947</u>	<u>30,452,800</u>	<u>22,701,491</u>	<u>25,424,969</u>	<u>25,250,717</u>
Business-type activities					
Water	4,832,937	5,178,132	5,296,709	5,820,913	5,415,282
Sanitary	4,787,092	5,104,398	4,592,115	5,450,091	5,247,438
Total business-type activities	<u>9,620,029</u>	<u>10,282,530</u>	<u>9,888,824</u>	<u>11,271,004</u>	<u>10,662,720</u>
Total primary government expenses	<u>39,994,976</u>	<u>40,735,330</u>	<u>32,590,315</u>	<u>36,695,973</u>	<u>35,913,437</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	1,114,356	1,229,829	1,042,436	1,095,362	691,362
Public safety	166,085	57,173	39,690	83,181	80,823
Community development	-	-	-	-	-
Public works	779,045	437,508	240,491	2,669,927	473,148
Parks and recreation	-	-	-	18,803	38,717
Operating grants and contributions	5,200,469	3,860,007	3,206,084	5,547,193	11,445,418
Capital grants and contributions	6,020,309	4,440,478	2,542,580	5,320,294	12,178,865
Total governmental activities program revenue	<u>13,280,264</u>	<u>10,024,995</u>	<u>7,071,281</u>	<u>14,734,760</u>	<u>24,908,333</u>
Business Type Activities					
Charges for services:					
Water	3,845,765	4,712,079	5,423,430	6,854,219	6,393,874
Sanitary	4,704,975	5,133,701	5,023,433	5,990,399	5,278,139
Capital grants and contributions	-	-	-	-	-
Total business-type activities	<u>8,550,740</u>	<u>9,845,780</u>	<u>10,446,863</u>	<u>12,844,618</u>	<u>11,672,013</u>
Total primary government activities program revenues	<u>21,831,004</u>	<u>19,870,775</u>	<u>17,518,144</u>	<u>20,725,159</u>	<u>30,186,472</u>
<b>Net revenues (expenses):</b>					
Governmental activities	(17,094,683)	(20,427,805)	(15,630,210)	(10,690,209)	(342,384)
Business-type activities	(1,069,289)	(436,750)	558,039	1,573,614	1,009,293
Total net revenues (expenses)	<u>(18,163,972)</u>	<u>(20,864,555)</u>	<u>(15,072,171)</u>	<u>(9,116,595)</u>	<u>666,909</u>

(Continued)

Source: City of Coachella

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

	Fiscal Years				
	2015	2016	2017 <sup>(1)</sup>	2018	2019
<b>Expenses:</b>					
<b>Governmental activities:</b>					
General government	\$ 4,849,757	\$ 4,251,234	\$ 6,836,135	\$ 6,368,636	\$ 6,553,545
Public safety	12,338,488	11,972,181	11,280,788	11,886,177	11,774,356
Community development	-	-	1,857,803	2,016,154	1,790,318
Public works	8,461,080	8,553,492	9,407,247	9,249,130	8,328,169
Parks and recreation	2,504,397	2,547,807	3,048,758	2,681,043	2,568,131
Interest on long-term debt	290,576	284,159	595,177	673,403	670,778
<b>Total governmental activities</b>	<b>28,444,298</b>	<b>27,608,873</b>	<b>33,025,908</b>	<b>32,874,543</b>	<b>31,685,297</b>
<b>Business-type activities</b>					
Water	5,286,149	5,957,705	6,156,918	6,332,662	5,866,721
Sanitary	5,206,579	5,451,109	5,387,442	5,659,749	5,591,651
<b>Total business-type activities</b>	<b>10,492,728</b>	<b>11,408,814</b>	<b>11,544,360</b>	<b>11,992,411</b>	<b>11,458,372</b>
<b>Total primary government expenses</b>	<b>38,937,026</b>	<b>39,017,687</b>	<b>44,570,268</b>	<b>44,866,954</b>	<b>43,143,669</b>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General government	995,116	1,403,812	481,951	501,631	796,669
Public safety	601,521	923,539	637,133	606,712	473,001
Community development	-	-	667,214	1,222,486	564,547
Public works	567,991	993,438	2,055,336	1,571,685	932,899
Parks and recreation	78,314	63,165	58,578	55,125	66,033
Operating grants and contributions	5,545,347	6,505,798	8,385,986	9,401,381	7,937,755
Capital grants and contributions	15,028,254	12,079,607	6,258,668	3,247,640	4,879,449
<b>Total governmental activities program revenue</b>	<b>22,816,543</b>	<b>21,969,359</b>	<b>18,544,866</b>	<b>16,606,660</b>	<b>15,650,353</b>
<b>Business Type Activities</b>					
<b>Charges for services:</b>					
Water	6,795,227	5,991,334	5,810,063	6,170,863	6,221,940
Sanitary	5,480,180	5,411,565	5,312,468	5,438,519	5,866,814
Capital grants and contributions	-	-	858,571	1,702,766	776,614
<b>Total business-type activities</b>	<b>12,275,407</b>	<b>11,402,899</b>	<b>11,981,102</b>	<b>13,312,148</b>	<b>12,865,368</b>
<b>Total primary government activities program revenues</b>	<b>28,296,723</b>	<b>27,380,924</b>	<b>21,715,100</b>	<b>22,045,179</b>	<b>21,517,167</b>
<b>Net revenues (expenses):</b>					
Governmental activities	(5,627,755)	(5,639,514)	(14,481,042)	(16,267,883)	(16,034,944)
Business-type activities	1,782,679	(5,915)	436,742	1,319,737	1,406,996
<b>Total net revenues (expenses)</b>	<b>(3,845,076)</b>	<b>(5,645,429)</b>	<b>(15,878,586)</b>	<b>(14,948,146)</b>	<b>(14,627,948)</b>

(Continued)

<sup>(1)</sup> Reclassifications were made to the 2017 balances

Source: City of Coachella

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

	Fiscal Years				
	2010	2011	2012	2013	2014
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 13,914,451	\$ 14,936,877	\$ 7,230,805	\$ 3,641,132	\$ 3,865,606
Other taxes	3,878,561	3,270,921	4,799,090	7,465,062	7,391,279
Interest and rental income	181,921	616,606	333,809	56,285	106,855
Other revenues	351,448	725,955	39,472	820,102	491,553
Transfers	83,990	-	-	5,479,971	2,860,169
Total governmental activities	<u>18,410,371</u>	<u>19,550,359</u>	<u>12,403,176</u>	<u>17,462,552</u>	<u>14,715,462</u>
Business-type activities					
Other taxes	71,761	52,479	88,747	120,102	78,565
Interest and rental income	325,106	307,310	63,645	17,012	62,092
Other revenues	-	-	-	-	-
Transfers	(83,990)	-	-	-	(1,170,905)
Total business-type activities	<u>312,877</u>	<u>359,789</u>	<u>152,392</u>	<u>137,114</u>	<u>(1,030,248)</u>
Total primary government	<u>18,723,248</u>	<u>19,910,148</u>	<u>12,555,568</u>	<u>17,599,666</u>	<u>13,685,214</u>
Changes in Net Position					
Governmental activities	1,315,688	(877,446)	(3,227,034)	6,772,343	14,373,078
Business-type activities	(756,412)	(76,961)	710,431	1,710,728	(20,955)
Total primary government	<u>\$ 559,276</u>	<u>\$ (954,407)</u>	<u>\$ (2,516,603)</u>	<u>\$ 8,483,071</u>	<u>\$ 14,352,123</u>

(Continued)

Source: City of Coachella

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

	Fiscal Years				
	2015	2016	2017 <sup>(1)</sup>	2018	2019
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,632,924	\$ 4,944,626	\$ 4,754,692	\$ 5,036,564	\$ 5,439,836
Other taxes	10,045,129	12,186,264	11,306,756	12,057,090	13,486,359
Interest and rental income	132,856	240,638	91,806	182,336	209,045
Other revenues	807,923	1,595,993	171,567	442,860	409,173
Transfers	1,528,100	1,280,352	1,268,912	1,022,479	910,030
Total governmental activities	<u>17,146,932</u>	<u>20,247,873</u>	<u>17,593,733</u>	<u>18,741,329</u>	<u>20,454,443</u>
Business-type activities					
Other taxes	119,244	122,031	140,354	146,243	183,787
Interest and rental income	138,131	191,419	(24,732)	(8,682)	560,759
Other revenues	-	-	759,370	1,001,380	679,155
Transfers	(1,278,100)	(1,280,352)	(1,268,912)	(1,022,479)	(910,030)
Total business-type activities	<u>(1,020,725)</u>	<u>(966,902)</u>	<u>(393,920)</u>	<u>116,462</u>	<u>513,671</u>
Total primary government	<u>16,126,207</u>	<u>19,280,971</u>	<u>17,199,813</u>	<u>18,857,791</u>	<u>20,968,114</u>
Changes in Net Position					
Governmental activities	11,519,177	14,608,359	3,112,691	2,473,446	4,419,499
Business-type activities	761,954	(972,817)	42,822	1,436,199	1,920,667
Total primary government	<u>\$ 12,281,131</u>	<u>\$ 13,635,542</u>	<u>\$ 3,155,513</u>	<u>\$ 3,909,645</u>	<u>\$ 6,340,166</u>

(Concluded)

<sup>(1)</sup> Reclassifications were made to the 2017 balances

Source: City of Coachella

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

	Fiscal Years				
	2010	2011	2012	2013 <sup>(1)</sup>	2014
General Fund:					
Reserved	\$ 182,516	\$ 97,889	\$ 696,055	\$ 747,187	\$ -
Unreserved	6,973,935	7,438,822	7,216,287	7,233,049	-
Nonspendable	-	-	-	-	712,301
Restricted	-	-	-	-	-
Committed	-	-	-	-	127,126
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	4,641,681
<b>Total general fund</b>	<b>\$ 7,156,451</b>	<b>\$ 7,536,711</b>	<b>\$ 7,912,342</b>	<b>\$ 7,980,236</b>	<b>\$ 5,481,108</b>
All other government funds:					
Reserved	\$ 6,119,021	\$ 6,119,021	\$ 7,557,962	\$ 6,473,490	\$ -
Unreserved, reported in:					
Special revenue funds	20,477,006	22,277,334	9,811,963	8,762,749	-
Capital projects funds	10,997,083	9,507,944	(8,722)	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	4,364,961
Committed	-	-	-	-	5,485,291
Assigned	-	-	-	-	3,225,142
Unassigned	-	-	-	-	(10,842)
<b>Total all other governmental funds</b>	<b>\$ 37,593,110</b>	<b>\$ 37,904,299</b>	<b>\$ 17,361,203</b>	<b>\$ 15,236,239</b>	<b>\$ 13,064,552</b>
<b>Total governmental funds</b>	<b>\$ 44,749,561</b>	<b>\$ 45,441,010</b>	<b>\$ 25,273,545</b>	<b>\$ 23,216,475</b>	<b>\$ 18,545,660</b>

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

Source: City of Coachella

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

	Fiscal Years				
	2015	2016	2017	2018	2019
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	804,798	1,086,738	4,508,082	15,626,798	8,771,350
Restricted	1,034	1,034	1,046	1,045	1,079
Committed	962,276	962,276	1,895,358	58,049	79,063
Assigned	545	545	545	545	545
Unassigned	5,379,585	7,810,266	4,632,342	6,993,819	6,390,418
<b>Total general fund</b>	<b>\$ 7,148,238</b>	<b>\$ 9,860,859</b>	<b>\$ 11,037,373</b>	<b>\$ 22,680,256</b>	<b>\$ 15,242,455</b>
All other government funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	68,311	65,872
Restricted	4,521,075	4,946,650	4,387,395	11,389,843	10,461,224
Committed	4,425,140	4,028,827	15,424,846	-	11,219,884
Assigned	2,480,066	1,631,603	940,181	-	-
Unassigned	(1,795)	(62,260)	(3,723,091)	(13,315,214)	(18,895,816)
<b>Total all other governmental funds</b>	<b>\$ 11,424,486</b>	<b>\$ 10,544,820</b>	<b>\$ 17,029,331</b>	<b>\$ (1,857,060)</b>	<b>\$ 2,851,164</b>
<b>Total governmental funds</b>	<b>\$ 18,572,724</b>	<b>\$ 20,405,679</b>	<b>\$ 28,066,704</b>	<b>\$ 20,823,196</b>	<b>\$ 18,093,619</b>

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

Source: City of Coachella

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

	Fiscal Years				
	2010	2011	2012	2013	2014
<b>Revenues:</b>					
Taxes	\$ 17,586,613	\$ 18,207,798	\$ 15,285,530	\$ 11,719,602	\$ 11,724,882
Property tax increment	-	-	-		
Licenses and permits	506,267	328,074	443,692	614,773	442,562
Charges for services	941,030	513,713	331,760	453,441	180,654
Fines and forfeits	193,308	186,327	200,141	95,057	165,618
Intergovernmental revenue	6,410,258	4,790,834	10,333,837	7,509,649	15,291,696
Developer Fees	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income	658,301	616,600	196,698	56,285	106,855
Other income	6,225,902	4,518,528	6,933,698	6,268,534	4,088,497
<b>Total revenues</b>	<b>32,521,679</b>	<b>29,161,874</b>	<b>33,725,356</b>	<b>26,717,341</b>	<b>32,000,764</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government:	5,692,863	4,296,416	5,055,676	4,511,278	4,236,748
Public safety	8,816,894	9,873,162	10,248,889	11,236,936	11,123,018
Community development	-	-	-	-	-
Public works	3,852,501	6,766,312	2,949,814	3,598,866	3,876,914
Parks and recreation	830,108	1,132,761	1,257,203	1,677,442	1,865,921
Capital outlays	4,441,241	1,582,158	11,150,050	12,781,950	16,052,519
<b>Debt service:</b>					
Pass-through Agreements	5,826,335	2,705,158	426,749	-	-
Principal retirements	1,643,602	1,356,591	1,240,000	145,000	150,000
Interest and fiscal changes	2,942,234	2,895,570	1,560,982	302,909	297,109
<b>Total expenditures</b>	<b>34,045,778</b>	<b>30,608,128</b>	<b>33,889,363</b>	<b>34,254,381</b>	<b>37,602,229</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,524,099)</b>	<b>(1,446,254)</b>	<b>(164,007)</b>	<b>(7,537,040)</b>	<b>(5,601,465)</b>
<b>Other financing sources (uses):</b>					
Proceeds from bond debt	-	-	-	-	-
Transfers in	12,134,189	9,707,470	46,165,111	19,087,073	22,151,890
Transfers out	(12,050,199)	(9,707,470)	(46,165,111)	(13,607,102)	(19,291,721)
<b>Total other financing sources (uses)</b>	<b>83,990</b>	<b>-</b>	<b>-</b>	<b>5,479,971</b>	<b>2,860,169</b>
<b>Extraordinary item:</b>	<b>-</b>	<b>146,882</b>	<b>(18,012,537)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,440,109)</b>	<b>\$ (1,299,372)</b>	<b>\$ (18,176,544)</b>	<b>\$ (2,057,069)</b>	<b>\$ (2,741,296)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>19.29%</b>	<b>16.16%</b>	<b>12.55%</b>	<b>2.09%</b>	<b>2.07%</b>

Source: City of Coachella



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

	Fiscal Years				
	2015	2016	2017	2018	2019
<b>Revenues:</b>					
Taxes	\$ 14,676,884	\$ 17,164,738	\$ 17,984,732	\$ 17,871,790	\$ 19,848,580
Property tax increment					
Licenses and permits	538,012	798,212	816,351	271,415	285,142
Charges for services	397,549	450,980	628,946	1,372,626	881,539
Fines and forfeits	184,794	502,295	602,642	527,480	374,848
Intergovernmental revenue	17,809,697	15,923,966	8,046,558	4,854,874	8,631,744
Developer Fees	567,991	993,438	1,800,199	1,330,260	537,766
Special Assessments	3,129,783	3,228,493	3,489,601	3,643,875	3,562,383
Investment Income	132,856	240,638	32,899	217,530	445,900
Other income	807,923	1,595,993	900,843	1,944,043	814,026
Total revenues	<u>38,245,489</u>	<u>40,898,753</u>	<u>34,302,771</u>	<u>32,033,893</u>	<u>35,381,928</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government:	4,664,727	4,348,014	5,150,306	5,767,796	6,070,256
Public safety	12,271,659	11,905,352	12,700,293	11,755,720	11,744,788
Community development	-	-	-	2,623,874	2,596,794
Public works	5,069,452	5,161,864	5,125,166	3,120,604	2,916,141
Parks and recreation	1,984,820	2,028,230	2,476,561	1,814,259	1,715,245
Capital outlays	17,234,277	16,452,981	13,482,382	18,782,238	12,652,515
<b>Debt service:</b>					
Pass-through Agreements	-	-	-	-	-
Principal retirements	160,000	165,000	559,477	496,005	513,490
Interest and fiscal changes	291,109	284,709	566,473	765,920	777,725
Total expenditures	<u>41,676,044</u>	<u>40,346,150</u>	<u>40,060,658</u>	<u>45,126,416</u>	<u>38,986,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,430,555)</u>	<u>552,603</u>	<u>(5,757,887)</u>	<u>(13,092,523)</u>	<u>(3,605,026)</u>
<b>Other financing sources (uses):</b>					
Proceeds from bond debt	-	-	12,150,000	-	-
Transfers in	20,840,763	19,309,673	17,609,220	29,980,647	17,862,813
Transfers out	(19,312,663)	(18,029,321)	(16,340,308)	(28,958,168)	(16,952,783)
Total other financing sources (uses)	<u>1,528,100</u>	<u>1,280,352</u>	<u>13,418,912</u>	<u>1,022,479</u>	<u>910,030</u>
Extraordinary item:	-	-	-	-	-
Net change in fund balances	<u>\$ (1,902,455)</u>	<u>\$ 1,832,955</u>	<u>\$ 7,661,025</u>	<u>\$ (12,070,044)</u>	<u>\$ (2,694,996)</u>
Debt service as a percentage of non-capital expenditures	<u>1.85%</u>	<u>1.88%</u>	<u>4.24%</u>	<u>4.84%</u>	<u>6.49%</u>

Source: City of Coachella

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

Fiscal Year End	Gross Assessed Value	Less Property Exemptions	Net Taxable Value	Less Homeowners Exemption	Net Assessed Value	Total Direct Tax Rate	Percent of Assessed Value Growth
2010	1,821,712,132	115,435,770	1,706,276,362	10,199,509	1,696,076,853	6.63	-13.92%
2011	1,642,263,955	155,857,195	1,486,406,760	11,506,708	1,474,900,052	6.63	-13.04%
2012	1,547,181,026	153,904,367	1,393,276,659	71,670,761	1,321,605,898	6.63	-10.39%
2013	1,481,929,638	155,810,941	1,326,118,697	20,672,757	1,305,445,940	6.63	-1.22%
2014	1,519,638,811	115,454,244	1,404,184,567	20,581,588	1,383,602,979	6.63	5.99%
2015	1,623,808,162	145,480,073	1,478,328,089	20,451,439	1,457,876,650	6.63	5.37%
2016	1,727,928,171	162,063,787	1,565,864,384	20,357,878	1,545,506,506	6.63	6.01%
2017	1,830,267,163	166,032,882	1,664,234,281	20,230,661	1,644,003,620	6.63	6.37%
2018	1,930,830,307	161,356,142	1,769,474,165	20,100,322	1,749,373,843	6.63	6.41%
2019	1,969,716,926	155,067,666	1,886,306,930	19,789,806	1,866,517,124	6.63	6.70%

Source: Riverside County Assessor's Office  
MuniServices, LLC

**City of Coachella**  
**Citywide Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year End	Residential Property	Commercial Property	Other Property	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Taxable Assessed Value (2)
2009-10	885,069,483	282,638,822	587,988,234	66,015,593	115,435,770	1,706,276,362	.03098381	1,771,183,115	1.038042
2010-11	782,722,615	295,988,410	501,142,417	62,410,514	155,857,195	1,486,406,761	.03098472	1,474,620,299	0.992071
2011-12	755,901,377	300,469,945	430,469,507	60,340,197	153,904,367	1,393,276,659	.03100944	1,321,605,898	0.948560
2012-13	715,872,078	285,845,274	421,670,150	58,542,136	155,810,941	1,326,118,697	.03100944	1,348,591,725	1.016946
2013-14	752,563,219	287,615,839	419,316,122	60,143,631	115,454,244	1,404,184,567	.03100944	1,496,588,337	1.065806
2014-15	952,454,624	406,038,422	202,671,983	62,643,133	145,480,073	1,478,328,089	.03100944	1,824,638,149	1.234258
2015-16	1,046,676,190	399,749,719	212,961,909	68,540,353	162,063,787	1,565,864,384	.03100944	1,750,844,055	1.118133
2016-17	1,104,720,729	420,392,171	231,715,679	73,438,584	166,032,882	1,664,234,281	.03100944	1,984,624,344	1.192515
2017-18	1,172,395,753	443,568,534	237,132,181	77,733,839	161,356,142	1,769,474,165	.03101123	2,189,773,824	1.237528
2018-19	1,228,726,992	486,061,733	254,825,359	91,090,579	175,491,782	1,885,212,881	.03101123	2,281,595,423	1.210259

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 values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

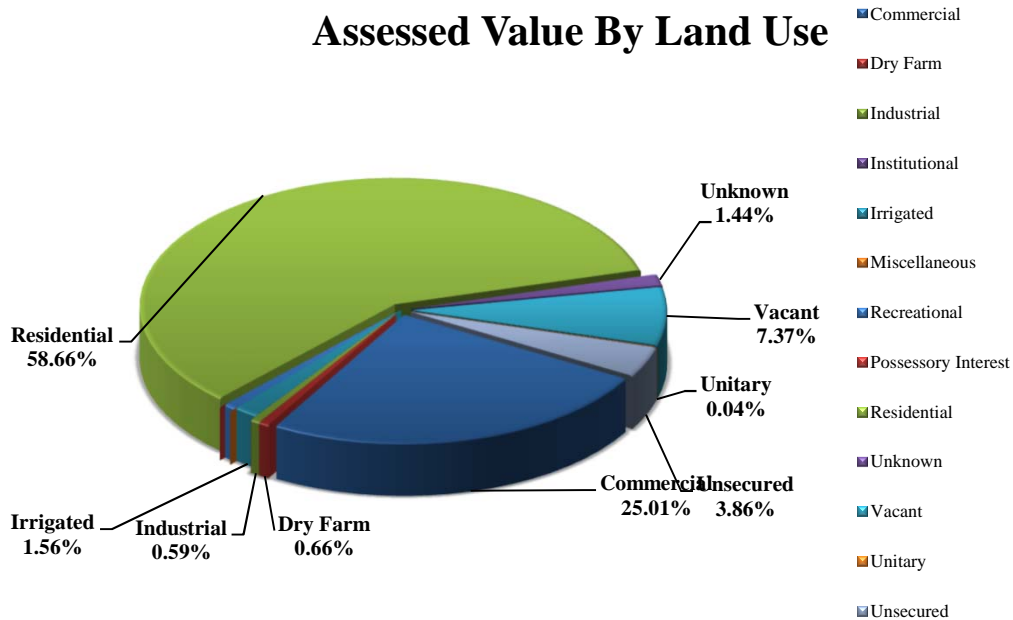
Source: Riverside County Assessor data, MuniServices, LLC



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

Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Agricultural	-	-	-	-	-	-	26,904	37,755	37,755	37,108
Commercial	282,639	295,988	300,470	285,845	287,616	406,038	399,750	420,392	443,568	486,062
Dry Farm	18,885	18,509	12,456	11,050	10,242	10,779	10,501	11,380	11,604	11,712
Industrial	9,380	8,955	9,349	6,793	7,377	9,568	9,694	9,795	9,983	11,637
Institutional	-	-	-	-	-	-	-	-	-	-
Irrigated	46,055	41,558	28,657	24,548	24,459	25,371	26,589	28,845	27,249	27,245
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Recreational	-	-	-	-	-	13,309	13,702	13,812	12,295	11,597
Possessory Interest	1,276	983	988	-	-	-	-	-	-	-
Residential	885,069	782,723	755,901	715,872	752,563	952,455	1,046,676	1,104,721	1,172,396	1,228,727
Unknown	251,346	238,150	234,449	246,059	249,695	23,376	-	-	-	-
Vacant	260,491	192,433	144,016	132,619	126,940	119,667	125,571	130,128	137,644	154,534
Unitary	555	555	555	602	602	602	602	602	602	991
<b>Gross Secured Value</b>	<b>1,755,697</b>	<b>1,579,853</b>	<b>1,486,841</b>	<b>1,423,388</b>	<b>1,459,494</b>	<b>1,561,165</b>	<b>1,659,990</b>	<b>1,757,430</b>	<b>1,853,096</b>	<b>1,969,614</b>
Unsecured	66,016	62,411	60,340	58,542	60,143	62,643	68,540	73,439	77,734	91,091
Exemptions	115,436	155,857	153,904	155,811	115,454	145,480	162,064	166,033	161,356	175,492
<b>Net Secured Value</b>	<b>1,706,276</b>	<b>1,486,407</b>	<b>1,393,277</b>	<b>1,326,119</b>	<b>1,404,183</b>	<b>1,478,328</b>	<b>1,566,466</b>	<b>1,664,836</b>	<b>1,769,474</b>	<b>1,885,213</b>



Source: Riverside County Assessor data, MuniServices, LLC  
 Use code categories are based on Riverside County Assessor's data

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

	Fiscal Years				
	2009-10	2010-11	2011-12	2012-13	2013-14
Basic City and County Levy					
COUNTY GENERAL	0.103042	0.103042	0.103064	0.103064	0.103064
COUNTY FREE LIBRARY	0.013312	0.013312	0.013312	0.013312	0.013314
CITY OF COACHELLA ANX	0.030984	0.030985	0.031009	0.031009	0.031009
COACHELLA VALLEY UNIFIED	0.432209	0.432209	0.432209	0.432209	0.432209
DESERT COMMUNITY COLLEGE	0.069757	0.069757	0.069757	0.069757	0.069757
RIV. CO. OFFICE OF EDUCATION	0.037951	0.037951	0.037951	0.037951	0.037951
RIV CO REG PARK & OPEN SPACE	0.002544	0.002544	0.002544	0.002544	0.002544
COACHELLA VALLEY PUB CEMETERY	0.002131	0.002131	0.002131	0.002131	0.002131
COACHELLA FIRE PROTECTION	0.036499	0.036487	0.036487	0.036487	0.036487
CV MOSQ & VECTOR CONTROL	0.009059	0.009059	0.009059	0.009059	0.009059
COACHELLA VALLEY REC & PARK	0.010968	0.010968	0.010968	0.010968	0.010968
COACHELLA VALLEY CO WATER	0.025363	0.025363	0.025363	0.025363	0.025363
COACHELLA VALLEY RES CONSER	0.000325	0.000325	0.000325	0.000325	0.000325
CVC WTR IMP DST 1 DEBT SV	0.011835	0.011835	0.011835	0.011835	0.011835
COACH VAL CO WTR STORM WTR UNIT	0.032107	0.032107	0.032107	0.032107	0.032107
ERAF	0.181914	0.181925	0.181878	0.181878	0.181878
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
COACHELLA VALLEY UNIFIED	0.072470	0.093320	0.074870	0.079680	0.149190
DESERT COMMUNITY COLLEGE	0.019950	0.019950	0.019950	0.019950	0.019950
COACHELLA VALLEY WATER	0.060000	0.080000	0.080000	0.080000	0.100000
TOTAL	0.152420	0.193270	0.174820	0.179630	0.269140
TOTAL TAX RATE	1.152420	1.193270	1.174820	1.179630	1.269140

*Continued*

For purposes of this table TRA 12-000 is represented

Source: Riverside County Auditor data, MuniServices, LLC

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

	Fiscal Years				
	2014-15	2015-16	2016-17	2017-18	2018-19
Basic City and County Levy					
COUNTY GENERAL	0.103064	0.103064	0.103064	0.103065	0.103065
COUNTY FREE LIBRARY	0.013314	0.013314	0.013314	0.013314	0.013314
CITY OF COACHELLA ANX	0.031009	0.031009	0.031009	0.031011	0.031011
COACHELLA VALLEY UNIFIED	0.432209	0.432209	0.432209	0.432209	0.432209
DESERT COMMUNITY COLLEGE	0.069757	0.069757	0.069757	0.069757	0.069757
RIV. CO. OFFICE OF EDUCATION	0.037951	0.037951	0.037951	0.037951	0.037951
RIV CO REG PARK & OPEN SPACE	0.002544	0.002544	0.002544	0.002544	0.002544
COACHELLA VALLEY PUB CEMETERY	0.002131	0.002131	0.002131	0.002131	0.002131
COACHELLA FIRE PROTECTION	0.036487	0.036487	0.036487	0.036493	0.036493
CV MOSQ & VECTOR CONTROL	0.009059	0.009059	0.009059	0.009059	0.009059
COACHELLA VALLEY REC & PARK	0.010968	0.010968	0.010968	0.010968	0.010968
COACHELLA VALLEY CO WATER	0.025363	0.025363	0.025363	0.025363	0.025363
COACHELLA VALLEY RES CONSER	0.000325	0.000325	0.000325	0.000325	0.000325
CVC WTR IMP DST 1 DEBT SV	0.011835	0.011835	0.011835	0.011835	0.011835
COACH VAL CO WTR STORM WTR UNIT	0.032107	0.032107	0.032107	0.032107	0.032107
ERAF	0.181876	0.181876	0.181876	0.181867	0.181867
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
COACHELLA VALLEY UNIFIED	0.132180	0.132180	0.166010	0.176090	0.149540
DESERT COMMUNITY COLLEGE	0.020870	0.020870	0.020360	0.040300	0.039780
COACHELLA VALLEY WATER	0.100000	0.100000	0.100000	0.100000	0.100000
TOTAL	0.253050	0.253050	0.286370	0.316390	0.289320
TOTAL TAX RATE	1.253050	1.253050	1.286370	1.316390	1.289320

*End*

**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			Collection in Subsequent Years	
		Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2010	16,960,768	16,960,768	100%	-	-	0%
2011	14,749,000	14,749,000	100%	-	-	0%
2012	13,216,059	13,216,059	100%	-	-	0%
2013	12,225,753	12,225,753	100%	-	-	0%
2014	13,188,561	13,188,561	100%	-	-	0%
2015	14,499,234	14,499,234	100%	-	-	0%
2016	15,693,198	15,693,198	100%	-	-	0%
2017	15,918,858	15,918,858	100%	-	-	0%
2018	17,498,590	17,498,590	100%	-	-	0%
2019	18,665,171	18,665,171	100%	-	-	0%

Source: Riverside County Assessors Office



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

Taxpayer	2018-19		2009-10	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
California Artichoke & Veg Gro	32,374,941	1.72%	11,042,596	0.65%
Armtec Defense Products Co	30,903,393	1.64%	39,623,155	2.32%
Soco	21,236,085	1.13%	29,115,914	1.71%
Anthony Vineyards Inc	14,975,152	0.79%	15,028,276	0.88%
Sun World International	13,827,573	0.73%		
Halum Abesud	12,800,000	0.68%	15,157,562	0.89%
Hpt Ta Prop Trust	11,162,684	0.59%	10,191,689	0.60%
99 Only Stores	10,812,000	0.57%		
Wal Mart Stores Inc	10,335,591	0.55%		
Sun Sands Enterprise	10,019,693	0.53%		
Ellis Charles M	9,911,599	0.53%		
Psav	9,665,613	0.51%		
Grimmway Enterprises Inc	9,451,429	0.50%		
Sirebrenik Jaime	8,687,340	0.46%		
Camp Court	8,619,546	0.46%	7,615,990	0.45%
Nika Royal	8,183,598	0.43%		
A & S Coachella Centers	8,147,414	0.43%		
Glenroy Coachella	8,090,423	0.43%	16,433,522	0.96%
Cauzza Four Drug Store	7,789,555	0.41%		
Desert Lakes Master	7,363,500	0.39%		
Lone Oak Coachella	6,880,000	0.36%		
Cvp Palm Springs	6,720,490	0.36%		
S&D Inv Inc	6,567,761	0.35%		
Wm Sub Esc	6,463,942	0.34%		
Sunny & Karan	6,456,808	0.34%		
R & R Land Inv			34,938,136	2.05%
Echo Trail Holdings			32,334,000	1.90%
Scripps Vineyards Villas			30,335,511	1.78%
Desert Highlands Assoc			26,979,399	1.58%
Tr Shadow View			19,582,972	1.15%
Jackson Square Assoc			13,517,928	0.79%
Sun World Packing Corp			12,057,492	0.71%
Mfjk Partnership			10,297,572	0.60%
Kb Home Coastal Inc			10,271,860	0.60%
Brandenburg Oak Grove			10,215,892	0.60%
Augustine Band Of Cahuilla Mis			9,051,480	0.53%
Deutsche Bank Natl Trust Co			8,708,000	0.51%
Hrg Coachella No 2 Ths			8,622,328	0.51%
Crv Rilington Diego Coachella			8,372,799	0.49%
J & J Brothers Construction Co			8,088,967	0.47%
Schmid Desert Inv			7,678,152	0.45%
Van Buren Partners Ii			7,573,496	0.44%
<b>Total Top 25 Taxpayers</b>	<b>287,446,130</b>	<b>15.25%</b>	<b>402,834,688</b>	<b>23.62%</b>
<b>Total Taxable Value</b>	<b>1,885,212,881</b>	<b>100.00%</b>	<b>1,705,721,287</b>	<b>100.00%</b>

Source: Riverside County Assessor data, MuniServices, LLC



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

<b>2018-19</b>		<b>2009-10</b>	
<b><u>Taxpayer</u></b>	<b><u>Business Type</u></b>	<b><u>Taxpayer</u></b>	<b><u>Business Type</u></b>
99 Cents Only Stores	Variety Stores	Albertson's Food Centers	Supermarkets
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Autozone	Auto Supply Stores	Autozone	Auto Supply Stores
Beck Oil	Oil & Gas Products	Beck Oil	Oil & Gas Products
Cardenas Market	Supermarkets	Cardenas Market	Supermarkets
Carl's Jr. Restaurants	Fast Food Restaurant	Carl's Jr. Restaurants	Fast Food Restaurant
Chevron Service Stations	Service Stations	Chevron Service Stations	Service Stations
Coronet Concrete Products	Bldg Matls-Whsle	Coachella Ranch Market	Supermarkets
Crop Production Services	Nursery	Del Taco	Fast Food Restaurant
Fastrip Service Stations	Service Stations	Fallas Paredes	Family Apparel
Food 4 Less	Supermarkets	Fastrip Service Stations	Service Stations
Foster & Gardner	Nursery	Food 4 Less	Supermarkets
Fulton Distributing Company	Business Services	Foster & Gardner	Nursery
Hydro AG Systems	Heavy Industry	Fulton Distributing Company	Business Services
Imperial Sprinkler Supply	Heavy Industry	Hydro AG Systems	Heavy Industry
Imperial Western Products	Light Industry	Imperial Sprinkler Supply	Heavy Industry
Love's Travel Stop	Service Stations	Imperial Western Products	Light Industry
McDonald's Restaurants	Fast Food Restaurant	Jack In The Box Restaurants	Fast Food Restaurant
O'Reilly Auto Parts	Auto Supply Stores	Love's Travel Stop	Service Stations
Rite Aid Drug Stores	Drug Stores	McDonald's Restaurants	Fast Food Restaurant
Smart & Final	Grocery W/Beer/Wine	Rite Aid Drug Stores	Drug Stores
South West Pump & Drilling	Bldg Matls-Whsle	The SOCO Group	Oil & Gas Products
Tower Mart & Gas	Service Stations	Travel Center	Service Stations
Travel Center	Service Stations	Union 76 Service Stations	Service Stations
Wal Mart Stores	Department Stores	Western Water Works	Heavy Industry

Source: Avenu Insights & Analytics

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

General Government

Fiscal Year	Redevelopment Bonds	Capital Leases	Certificates of Participation	Revolving Loan	Revenue Bonds
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	-	-	6,255,000	-	-
2016	-	-	6,090,000	-	-
2017	-	-	5,920,000	1,165,523	12,030,387
2018	-	-	5,745,000	1,104,519	11,762,270
2019	-	-	5,560,000	1,041,029	11,489,154

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.

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

Business-type Activities

Fiscal Year	Revenue Bonds	Revolving Fund Loan	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2010	26,281,572	20,983,114	104,876,277	19.67%	2,555
2011	25,761,785	19,960,470	101,977,255	18.92%	2,457
2012	25,222,319	21,489,327	53,421,646	9.91%	1,275
2013	24,632,974	20,719,685	51,917,659	9.93%	1,213
2014	23,978,541	19,579,843	49,973,384	9.53%	1,145
2015	23,303,804	18,409,820	47,968,624	9.20%	1,092
2016	22,353,536	17,214,035	45,657,571	7.84%	1,006
2017	22,401,005	15,991,898	57,508,813	9.84%	1,263
2018	21,617,565	14,742,803	54,972,157	9.39%	1,205
2019	20,822,855	13,461,128	52,374,166	8.81%	1,130

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.

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Assessed valuation	1,821,712,132	1,642,263,955	1,547,181,026	1,481,929,638	1,519,638,811
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	455,428,033	410,565,989	386,795,257	370,482,410	379,909,703
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	68,314,205	61,584,898	58,019,288	55,572,361	56,986,455
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 68,314,205</u>	<u>\$ 61,584,898</u>	<u>\$ 58,019,288</u>	<u>\$ 55,572,361</u>	<u>\$ 56,986,455</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

*Continued*

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

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Assessed valuation	1,623,808,162	1,727,928,171	1,830,267,163	1,930,830,307	1,969,716,926
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	405,952,041	431,982,043	457,566,791	482,707,577	492,429,232
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	60,892,806	64,797,306	68,635,019	72,406,137	73,864,385
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 60,892,806</u>	<u>\$ 64,797,306</u>	<u>\$ 68,635,019</u>	<u>\$ 72,406,137</u>	<u>\$ 73,864,385</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

*End*

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

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

Fiscal Year	Gross Revenues	Gross Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (2)
				Principal	Interest	Total	
2019	6,533,510	3,549,997	2,983,513	297,548	382,100	679,648	4.39
2018	6,436,959	3,580,667	2,856,292	294,246	389,944	684,190	4.17
2017	5,763,890	3,204,126	2,559,764	276,075	395,488	671,563	3.81
2016	5,411,565	3,358,002	2,053,563	258,032	262,256	520,288	3.95
2015	5,312,468	2,965,381	2,347,087	140,000	211,475	351,475	6.68
2014	5,278,139	2,979,982	2,298,157	135,000	216,606	351,606	6.54
2013	5,990,399	2,802,614	3,187,785	130,000	220,141	350,141	9.10
2012	5,023,433	2,278,042	2,745,391	125,000	224,600	349,600	7.85
2011	5,133,701	2,908,022	2,225,679	120,000	229,744	349,744	6.36
2010	5,008,316	2,323,891	2,684,425	115,000	236,269	351,269	7.64

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

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

Source: City of Coachella



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

Fiscal Year	Gross Revenues	Gross Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (2)
				Principal	Interest	Total	
2019	7,197,678	4,082,731	3,114,947	505,767	513,495	1,019,262	3.06
2018	8,094,645	4,520,040	3,574,605	497,801	523,591	1,021,392	3.50
2017	6,976,582	4,213,352	2,763,230	494,959	533,081	1,028,040	2.69
2016	6,105,336	4,045,495	2,059,841	410,000	340,275	750,275	2.75
2015	6,868,215	3,411,300	3,456,915	405,000	348,475	753,475	4.59
2014	6,423,096	3,503,437	2,919,659	395,000	356,575	751,575	3.88
2013	6,854,219	3,417,056	3,437,163	315,000	200,461	515,461	6.67
2012	5,423,430	2,974,791	2,448,639	300,000	530,713	830,713	2.95
2011	4,712,079	3,210,507	1,501,572	290,000	541,729	831,729	1.81
2010	3,939,291	2,837,925	1,101,366	280,000	555,188	835,188	1.32

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

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

Source: City of Coachella

**City of Coachella**  
**Direct and Overlapping Bonded Debt (Unaudited)**  
**As of June 30, 2019**

2017-18 Assessed Valuation: \$ 1,906,096,736

	Total Debt	%	City's Share of
	6/30/2019	Applicable	Debt 6/30/19
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Desert Community College District	\$ 349,425,000	2.350%	\$ 8,211,488
Coachella Valley Unified School District	245,992,219	17.063%	41,973,652
Desert Sands Unified School District	381,670,000	0.331%	1,263,328
City of Coachella Community Facilities District No. 2018-1	5,745,000	100.000%	5,745,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 57,193,468
 <b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Riverside County General Fund Obligations	\$ 760,133,611	0.680%	\$ 5,168,909
Riverside County Pension Obligations	243,850,000	0.680%	\$ 1,658,180
Coachella Valley Unified School District Certificates of Participation	37,670,000	17.063%	\$ 6,427,632
Desert Sands Unified School District Certificates of Participation	37,000,000	0.331%	\$ 122,470
<b>City of Coachella Gas Tax Revenue Certificates of Participation</b>	<b>11,270,000</b>	<b>100.00%</b>	\$ 11,270,000 (1)
Desert Recreation and Park District Certificates of Participation	472,521	<b>3.755%</b>	\$ 17,743
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 24,664,934
Less: Riverside County self-supporting obligations			11,812
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			24,653,122
 <b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>			
	\$ 304,658,028	0.029-100%	\$ 33,777,213
 <b>TOTAL DIRECT DEBT</b>			
TOTAL GROSS OVERLAPPING DEBT			<b>\$ 11,270,000</b>
TOTAL NET OVERLAPPING DEBT			\$ 104,365,615
			\$ 104,353,803
 GROSS COMBINED TOTAL DEBT			
NET COMBINED TOTAL DEBT			\$ 115,635,615 (2)
			\$ 115,623,803

(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 2018-19 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt.....	3.00%
<b>Total Direct Debt (\$11,270,000).....</b>	<b>0.59%</b>
Gross Combined Total Debt .....	6.07%
Net Combined Total Debt .....	6.07%

**Ratios to Redevelopment Incremental Valuation (\$940,256,514):**

Total Overlapping Tax Increment Debt.....	3.35%
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AB:(\$500)

Source: MuniServices LLC

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

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (3)	Employed (2)	Unemployed (2)	*Public School Enrollment	County Unemployment Rate (%) (2)	City Unemployment Rate (%) (2)	County Population (1)	City Population (% of County)
2009-10	41,043	**	**	9,800	2,600	17,499	13.6%	21.1%	2,109,882	1.95%
2010-11	41,502	**	**	9,600	2,700	18,464	14.0%	21.7%	2,217,778	1.87%
2011-12	41,904	**	**	10,200	2,500	18,406	12.7%	19.9%	2,227,577	1.88%
2012-13	42,784	522,778	12,219	10,200	2,400	18,720	12.3%	19.3%	2,255,059	1.90%
2013-14	43,633	524,512	12,021	10,500	2,100	18,850	10.3%	16.4%	2,279,967	1.91%
2014-15	43,917	521,470	11,874	16,300	1,700	18,878	6.2%	9.6%	2,308,441	1.90%
2015-16	45,407	582,708	12,833	16,700	1,900	18,862	6.7%	10.4%	2,347,828	1.93%
2016-17	45,551	596,832	13,102	17,100	1,600	18,719	6.1%	9.4%	2,384,783	1.91%
2017-18	45,635	597,932	13,102	17,800	1,800	18,372	4.2%	9.3%	2,415,955	1.89%
2018-19	46,351	**	**	17,900	1,300	18,031	3.6%	6.8%	2,440,124	1.90%

\*\* Data unavailable

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 Dist

Source (3): U.S. Census Bureau

(4) Amount unavailable, used inflation rate to forecast the amount.

**City of Coachella  
Principal Employers  
Current Fiscal Year and Eight Years Ago**

Business Name	2018-19		2010-11	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Coachella Valley Unified School District <sup>(1)</sup>	564	2.94%	532	12.51%
Spotlight 29 Casino	433	2.26%	800	4.90%
Ernie Ball Inc/Paladar*	380	1.98%	262	2.45%
Augustine Casino	350	1.82%	428	3.54%
Armtec Defense (Subsidiary of Esterline Defense Technology)	288	1.50%	315	2.49%
Valley Pride	214	1.11%	400	2.36%
Coachella Valley Water District	196	1.02%	290	3.87%
Teserra Outdoors (formerly CA Pools)	161	0.84%	320	0.95%
Cardenas (Market #18) (2)	110	0.57%	122	0.96%
Coca-Cola Enterprises Inc	100	0.52%		
Sun World			200	1.13%
Total Top 10 Employers	2,796	14.56%	3,669	35.16%
Total City Labor Force (4)	19,200		12,700	

Source: Avenu Insights & Analytics

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

(1) Includes FTE and PTE, schools in Coachella only.

(2) Count is at peak of season during harvest (Nov-March)

(3) Includes FTE and PTE

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

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

	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Government										
Administration	2.05	2.05	2.05	3.80	4.30	3.80	4.30	4.30	3.80	4.00
Community Development	2.25	3.50	3.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	2.60	3.60	3.60	3.50	3.50	3.50	4.50	4.50	3.50	3.50
General Government	3.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	6.00
Neighborhood Services	2.00	1.00	1.00	2.00	3.00	3.00	5.00	5.40	5.00	5.00
Public Works	17.50	19.25	19.25	17.90	17.20	15.20	20.93	20.53	20.56	20.63
Senior Center	3.00	2.00	2.00	3.00	4.00	4.00	4.00	4.00	4.00	3.00
Landscape & Lighting District	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.87	1.20
Redevelopment Agency	8.05	8.05	8.05	-	-	-	-	-	-	-
Sanitary District	13.20	13.20	13.20	14.40	14.25	13.75	15.13	14.64	14.63	15.83
Water Agency	13.35	12.35	13.35	14.90	14.25	14.25	14.64	15.13	14.14	17.34
<b>Grand Total</b>	<b>69.00</b>	<b>72.00</b>	<b>72.00</b>	<b>70.00</b>	<b>71.00</b>	<b>68.00</b>	<b>79.00</b>	<b>79.00</b>	<b>76.00</b>	<b>81.00</b>

(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

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

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Public safety					
Police					
Substations	1	1	1	-	-
Service hours (per day)	90	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	11	11	11	11	13
Support personnel	20	1	1	1	1
Highways and streets					
Streets (miles)	109	115	115	115	108
Streetlights	1,893	1,894	1,894	1,894	1,788
Culture and recreation					
Parks acreage	61	61	61	89	89
Parks	7	7	7	7	8
Swimming pools	2	2	2	2	2
Tennis courts	-	-	-	-	-
Basketball courts	4	4	5	5	5
Community centers	1	1	1	1	2
Water					
Water meters active	7,255	7,278	7,743	7,776	7,917
Fire hydrants	537	537	537	546	546
Sanitary					
Plants	1	1	1	1	1
(capacity/gallons)	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000

Source: City of Coachella

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

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Public safety					
Police					
Substations	-	-	-	-	-
Service hours (per day)	90	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	13	13	13	8	11
Support personnel	1	1	1	-	-
Highways and streets					
Streets (miles)	109	109	109	109	109
Streetlights	1,809	1,809	1,809	1,809	1,809
Culture and recreation					
Parks acreage	89	89	89	89	89
Parks	8	8	8	8	9
Swimming pools	2	2	2	1	1
Tennis courts	-	-	-	-	-
Basketball courts	5	5	5	5	5
Community centers	2	2	1	1	1
Water					
Water meters active	8,699	8,322	8,322	8,384	8,336
Fire hydrants	550	550	550	554	552
Sanitary					
Plants	1	1	1	1	1
(capacity/gallons)	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000

Source: City of Coachella

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

Function	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Police (based on calendar year) **</b>					
Homicide	2	1	4	2	3
Rape	3	5	8	4	4
Robbery	74	76	61	54	57
Aggravated Assault	114	194	168	124	82
Burglary	551	467	373	418	306
Motor Vehicle Theft	405	258	293	352	326
Larceny Theft	667	972	650	738	646
Arson	11	6	8	9	4
<b>Fire</b>					
Average Response Time (minutes)	3	3	4	4	4
Structural Fires	25	14	17	20	15
Commercial Fires	3	3	3	7	0
Other Fires	85	76	114	130	71
Medical aids	1,239	1,104	1,568	1,610	1,591
Traffic Collisions	139	136	213	197	195
<b>Water</b>					
New connections	47	23	53	153	134
Average daily consumption (gallons)	3,165,192	3,165,192	7,353,443	7,135,287	6,297,187
<b>Wastewater</b>					
Average daily sewage treatment (gallons)	2,532,354	2,532,354	2,810,891	2,717,800	2,765,000

\*\* Data based on January - June 2018

Source: City of Coachella



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

Function	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Police (based on calendar year) **</b>					
Homicide	6	4	0	1	1
Rape	4	4	2	5	6
Robbery	55	51	18	26	44
Aggravated Assault	99	96	38	46	50
Burglary	241	200	95	81	136
Motor Vehicle Theft	203	236	119	191	212
Larceny Theft	708	802	426	606	631
Arson	3	0			
<b>Fire</b>					
Average Response Time (minutes)	4	4	4	4	4
Structural Fires	23	14	11	13	14
Commercial Fires	2	1	3	5	4
Other Fires	87	116	141	129	121
Medical aids	1,884	1,731	1,907	1,700	1,905
Traffic Collisions	252	234	293	204	241
<b>Water</b>					
New connections	48	25	16	67	43
Average daily consumption (gallons)	6,022,370	5,600,000	6,307,000	6,496,235	5,925,945
<b>Wastewater</b>					
Average daily sewage treatment (gallons)	2,684,000	2,534,000	2,573,000	2,649,000	2,712,000

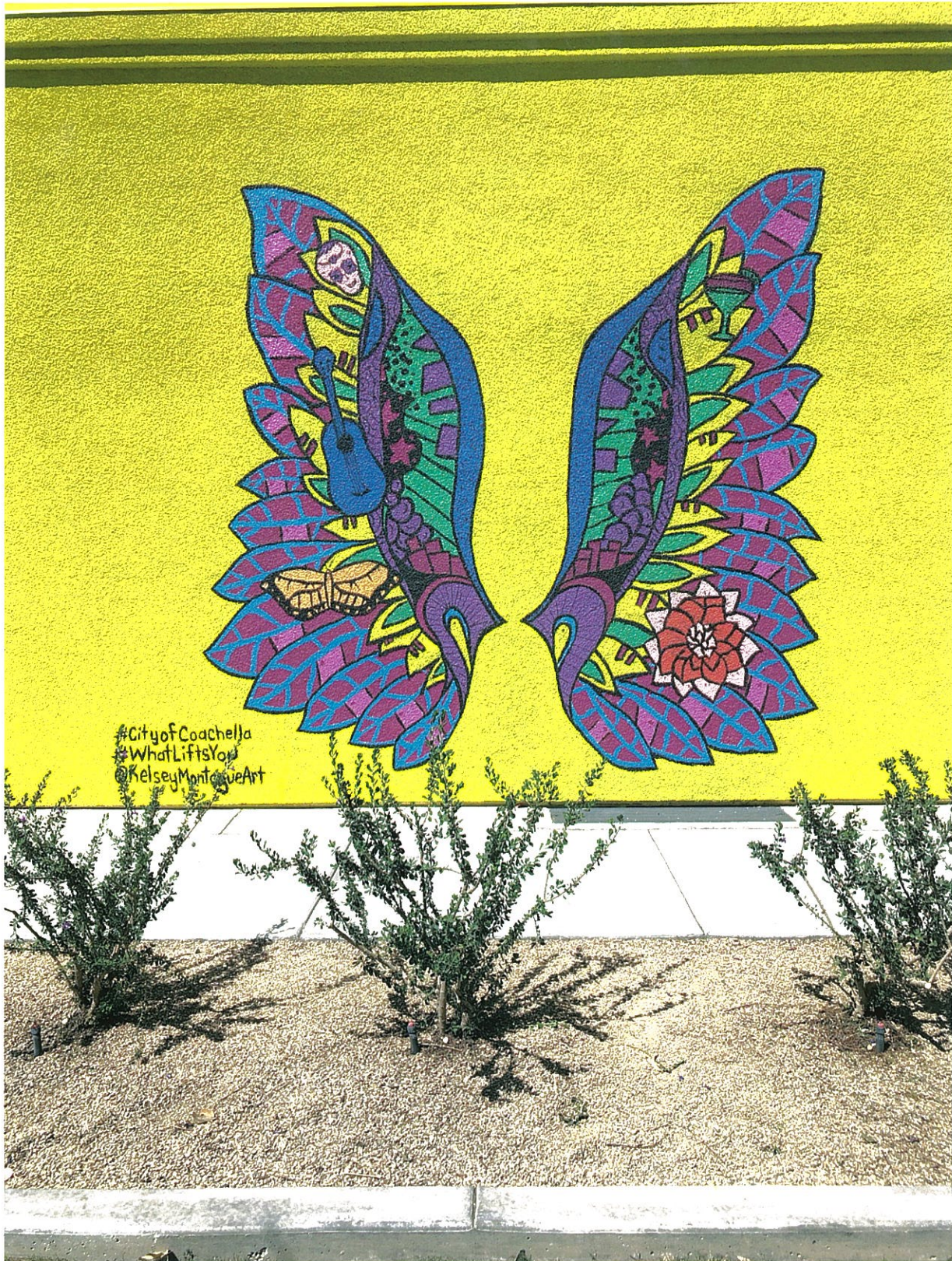
\*\* Data based on January - June 2018

Source: City of Coachella



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#WhatLiftsYou  
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**[www.coachella.org](http://www.coachella.org)**