

# CITY OF COACHELLA, CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2018

# **City of Coachella, California**

## **Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2018**

**Prepared By:**

**The City of Coachella Finance Department**

**City of Coachella**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2018**

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December 20, 2018

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, 2018. 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, 2018. 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.

## **CAFR STRUCTURE**

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

### **Introductory Section:**

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

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

### **Statistical Section:**

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

It is the policy of the City of Coachella to have an annual audit performed by an independent certified public accountant. The independent audit of the City's financial statements for fiscal year ended June 30, 2018, was conducted by The Pun Group as appointed by the City Council. The auditor's unmodified opinion on the basic financial statements is included in the Financial Section of this report.

As part of the City's annual audit engagement, the auditors review the city's internal control structure, as well as compliance with applicable laws and regulations. The results of the City's annual audit for fiscal year ended June 30, 2018, provided no instances of material weaknesses in connection with the internal control structure of significant violations of applicable laws and regulations.

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

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

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

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

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



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

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

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

Coachella's population is long established, with a young median age of 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 45,631 as of July 2018. 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 2017-18 was prepared in accordance with accounting principles generally accepted in the United States of America. As reflected in the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **LOCAL ECONOMY**

During the last fiscal year, sales tax revenues, a major source of funds for the City's General Fund reached an annual level of \$8.44 million; an increase of \$.63 million compared to previous year. The increase was due to an increase of purchasing power from residents. The top five economic segments producing sales taxes were, in descending order, Transportation, Food Products, General Retail, Business to Business, Construction and Miscellaneous.

According to the State of California Employment Development Department (EDD), as of May 2018, the total workforce for the City of Coachella is 19,200 of which 17,700 were employed. The unemployment rate was 8.0%.

The General Fund ended the year with a fund balance of \$22.71 million. Of the total, \$15.66 million is nonspendable, \$0.06 million is committed, and \$6.99 million is unassigned.

The management of the City continues to be cautiously optimistic about the economic future of the community. Efforts are continuing to develop the industrial portion of the economic base and to expand the retail and tourism segment. Of continuing concern is the City's ability to hold down costs while maintaining acceptable levels of service. As an example of this, Riverside County Sheriff's Department has increased the cost of its contract with the City at approximately 10% per year since FY 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 2017-18, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2017-18 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 parks – Veterans Park and Cesar Chavez Park, and Street signal synchronization,

### **Economic Development:**

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

Coachella saw its population double between 2000 and 2010 and is one of the fastest growing Cities in California, has also seen its profile grow exponentially over the last decade. Residential building permit activity decreased from 35 units in FY 2017-18 to 14 units in FY 2017-18, a decrease of 60%.

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 almost 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, the City is greatly anticipating the relocation of Riverside County's Department of Social Services (DPSS) from the City of Indio to Downtown Coachella. With DPSS's 200+ employees and numerous clients, the City awaits the foot traffic and spending that will occur in the downtown area.

The City is conservatively optimistic about imminent economic growth due to a community project like La Entrada; regional PACE programs; downtown redevelopment; and positive news occurring at the State. In July 2017, California became the 5<sup>th</sup> largest economy in the world. "California's gross domestic product rose by \$127 billion from 2016 to 2017, surpassing \$2.7 trillion, the data said. Meanwhile, the UK's economic output slightly shrunk over that time when measured in U.S. dollars, due in part to exchange rate fluctuations." (USA TODAY NETWORK, J. Cooper, Associated Press, May 5, 2018).

## **FINANCIAL INFORMATION**

### **Budgetary Controls:**

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

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

### **Blended Component Units:**

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

### **General Governmental Functions:**

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

The City's enterprise operations consist of refuse, water, and sanitary funds. The last two funds fall under the management and control of the City Council acting as Board Members and the Refuse Fund is under the direct management of the City Council. The Water Fund's operating revenues totaled \$8.10 million and operating expenses totaled \$5.84 million for the fiscal year 2017-18. The Water Fund's net position balance at June 30, 2018, was \$25.75 million of which \$17.52 million were net investment in capital assets, \$6.55 million was restricted for capital projects, and \$1.67 million was unrestricted.

The Sanitary Fund's operating revenues totaled \$6.21 million and operating expenses totaled \$4.97 million for the fiscal year 2017-18. The Sewer Fund's net position balance at June 30, 2018, was \$15.17 million comprising of \$11.50 million net investment in capital assets, \$6.84 million restricted, and (\$3.17) million as unrestricted.

### **Cash Management:**

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

### **Risk Management:**

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

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

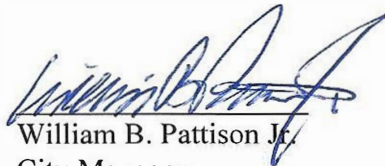
## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coachella for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 6<sup>th</sup> year that the government has achieved this prestigious award. In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


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

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, 2017**

*Christopher P. Morill*

Executive Director/CEO

# **CITY OF COACHELLA**

List of Principal Officials  
As of June 30, 2018

City Council – Manager Form of Government

## **CITY COUNCIL**

**STEVEN HERNANDEZ**  
Mayor

**BETTY SANCHEZ**  
Mayor Pro Tem

**STEVE BROWN**  
Council Member

**EMMANUEL MARTINEZ**  
Council Member

**PHILIP BAUTISTA**  
Council Member

## **CITY ADMINISTRATION**

William B. Pattison Jr.  
City Manager

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

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







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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and 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, 2018, 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, 2018, 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.

### **Emphasis of Matter**

#### ***Implementation of GASB 75***

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of the standard required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2017 as described in Note 14 to the basic financial statements. In addition, net OPEB liability is reported in the Statement of Net Position in the amount of \$3,698,609 as of the measurement date. Net OPEB liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2018, which is also the measurement date. Our opinion is not modified with respect to this matter.

### **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 – Pension, 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 87 to 93, 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, the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, 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 and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
December 20, 2018



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**City of Coachella**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2018**

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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, 2018. Management's Discussion and Analysis provides readers with basic overview of the financial results and financial position of the City of Coachella. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal. All amounts are expressed in millions of dollars unless otherwise stated.

**Financial Highlights**

The assets of the City of Coachella exceeded its total liabilities at the close of the fiscal year by \$218.39 million (*net position*). Of this amount, \$198.07 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$(2.52) 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 \$3.91 million between FY 2017 and FY 2018. During the period total revenues equaled \$48.78 million, an increase of \$1.05 million over the fiscal year 2016-17 and expenses totaled \$44.87 million a \$0.30 million increase over the same time period.

The governmental activities total net position increased by \$2.47 million and the business-type total net position increased by \$1.44 million. The increase in the Business-type activities was essentially due to a \$0.49 million increase in charge for services income.

The close of the fiscal year 2017-18, the City of Coachella's governmental funds reported combined ending fund balances of \$20.82 million, a decrease of \$12.07 million in comparison with the prior year. The unassigned fund balance is (\$6.36) million. The primary reason for the decrease is due to the use of the Lease Revenue Bonds for the construction of the new Library.

**Overview of the Financial Statements**

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

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

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

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

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2018**

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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.

**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.



**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2018**

**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 \$218.39 million at the close of the fiscal year. By far the largest *portion* of the City's net position, \$198.07 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.

<b>City of Coachella's Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2018</b>	<b>FY 2017 (As Restated)</b>	<b>FY 2018</b>	<b>FY 2017 (As Restated)</b>	<b>FY 2018</b>	<b>FY 2017 (As Restated)</b>
Current and restricted assets	\$ 30,965,836	\$ 41,827,475	\$ 18,580,208	\$ 16,506,086	\$ 49,546,044	\$ 58,333,562
Capital assets	185,460,898	173,168,066	64,992,835	67,376,477	250,453,733	240,544,543
<b>Total Assets</b>	<b>216,426,734</b>	<b>214,995,541</b>	<b>83,573,043</b>	<b>83,882,563</b>	<b>299,999,777</b>	<b>298,878,105</b>
Deferred Outflows of Resource	3,211,568	2,153,558	1,970,865	1,586,768	5,182,433	3,740,326
Long-term debt outstanding	33,256,113	32,425,534	43,009,601	44,174,369	76,265,714	76,599,903
Other liabilities	7,818,503	8,986,115	1,318,479	1,662,866	9,136,982	10,648,981
<b>Total Liabilities</b>	<b>41,074,616</b>	<b>41,411,649</b>	<b>44,328,080</b>	<b>45,837,235</b>	<b>85,402,696</b>	<b>87,248,884</b>
Deferred Inflows of Resources	(1,085,779)	732,989	(300,459)	152,925	1,386,236	885,914
Net position:						
Net Invested in capital assets,	169,053,563	166,082,543	29,018,484	29,366,927	198,072,047	195,449,470
Restricted	9,447,922	3,795,395	13,395,402	11,854,918	22,843,324	15,650,313
Unrestricted	(1,023,578)	5,126,523	(1,498,515)	(1,742,673)	(2,522,093)	3,383,850
<b>Total Net Position</b>	<b>\$ 177,477,907</b>	<b>\$ 175,004,461</b>	<b>\$ 40,915,371</b>	<b>\$ 39,479,172</b>	<b>\$ 218,393,278</b>	<b>\$ 214,483,633</b>

The City's net position increased by \$3.91 million or 1.82 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, 2018**

City of Coachella's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
	(As reclassified)		(As reclassified)		(As reclassified)	
REVENUES:						
Program Revenues:						
Charges for services	3,957,639	3,900,212	11,609,382	11,122,531	15,567,021	15,022,749
Operating grants and contributions	9,401,381	8,385,986	-	-	9,401,381	8,385,986
Capital grants and contributions	3,247,640	6,258,668	1,702,766	858,571	4,950,406	7,117,239
General Revenues:						
Property taxes	5,036,564	4,754,692	146,243	140,354	5,182,807	4,895,046
Sales and Use Tax	8,436,931	7,805,334	-	-	8,436,931	7,805,334
Motor Vehicle In Lieu Tax	287,345	243,798	-	-	287,345	243,798
Franchise Taxes	930,959	811,570	-	-	930,959	811,570
Transient Occupancy Tax	90,361	14,475	-	-	90,361	14,475
Utility Users Tax	2,311,494	2,431,579	-	-	2,311,494	2,431,579
Interest and rental income	182,336	91,806	(8,682)	(24,732)	173,654	67,074
Other revenues	442,860	171,567	1,001,380	759,370	1,444,240	930,937
TOTAL REVENUES	34,325,510	34,869,687	14,451,089	12,856,095	48,776,602	47,725,783
EXPENSES						
General government	6,368,636	6,836,135	-	-	6,368,636	6,836,135
Public safety	11,886,177	11,280,788	-	-	11,886,177	11,280,788
Public works	9,249,130	9,407,247	-	-	9,249,130	9,407,247
Community Development	2,016,154	1,857,803	-	-	2,016,154	1,857,803
Parks & recreation	2,681,043	3,048,758	-	-	2,681,043	3,048,758
Interest on long-term debt	673,043	595,177	-	-	673,043	595,177
Operating expenses	-	-	11,992,411	11,544,360	11,992,411	11,544,360
TOTAL EXPENSES	32,874,183	33,025,908	11,992,411	11,544,360	44,866,594	44,570,269
Net transfers	1,022,479	1,268,912	(1,022,479)	(1,268,912)	-	-
INCREASE (DECREASE) IN NET POSITION	2,473,446	3,112,691	1,436,199	42,822	3,909,645	3,155,511
BEGINNING NET POSITION AS RESTATED	175,004,461	171,891,770	39,479,172	39,436,350	214,483,633	211,328,120
ENDING NET POSITION	\$ 177,477,907	\$ 175,004,461	\$ 40,915,371	\$ 39,479,172	\$ 218,393,278	\$ 214,483,631

**Governmental activities:** Governmental activities increased the City's net position by \$2.47 million. Key elements of this decrease are as follows:

While total revenues decreased \$0.54 million, the City saw an increase in charges for services of \$0.06 million, an increase in property taxes of \$0.28 million, an increase in sales and use tax of \$0.63 million, an increase in motor vehicle in lieu tax of \$0.04 million, an increase on franchise taxes of \$0.12 million, an increase in transit occupancy tax of \$0.08 million, a decrease in utility users tax of \$0.12 million, an increase in operating grants of \$1.02 million, a decrease in capital grants and contributions of \$3.01 million which made up most of the decrease in revenues, an increase in interest and rental income of \$0.09 million, and an increase in other revenues of \$0.27 million.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2018**

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Total expenses from governmental activities increased by \$0.15 million during the fiscal year. One of the major increases was seen by public safety of \$0.61 million, and was due to an increase of cost in Police and Fire services with the County of Riverside, an increase in community development of \$0.16 million, due to increase in professional services, an increase in interest and long-term debt of \$0.08 million, due to the payment of a full year debt service of the Coachella Lease Bonds.

**Business-type Activities:** Business-type increase its net position by \$1.44 million. Business-type revenues increased \$1.60 million. The increase was due to the lift of the State of California mandatory water rationing order and the rate increase to Sanitary service, an increase in capital grants and contributions of \$0.84 million, an increase in interest and rental income of \$0.02 million, and increase in other revenues of \$0.24 million. Expenses increased \$0.45 million. The increase was essentially due to an increase in operating expenses mainly for general supplies, and repairs and maintenance.

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

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

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

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$20.82 million, a decrease of \$12.07 million in comparison with the prior year. Of the \$20.82 million total, \$15.73 million constitutes non-spendable fund balances, which means that these reserves are not available to fund operating expenditures of the organization; \$11.39 million are restricted fund balances which are the result of external limitations on spending; \$0.06 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 (\$6.36) 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 \$6.99 million, while the total General Fund balance was \$22.71 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 102.98 percent of the total budgeted expenditures.

The 2017-2018 ending fund balance of the City's General Fund is a net total of \$22.71 million which is an increase of \$11.68 million from 2016-2017. General Fund revenues are \$21.78 million with expenses at \$20.35 million which is an excess of \$1.43 million of revenues over expenditures. Other financing sources increased the fund balance by \$10.25 million which brings the net change in fund balance for the year to \$11.68 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 \$(11.24) million, a decrease of \$10.88 million. The Development Impact Fund decrease was a direct result of capital project funding.

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

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2018**

Total net position for proprietary funds finished the year at \$40.92 million. The Water Authority accounted for \$25.75 million of this total with the Sanitary District accounting for the remaining \$15.17 million.

The *Coachella Water Authority's* change in net position increased \$0.33 million or over the fiscal year 2016-17. During the year, the Authority had total revenues and transfers in of \$8.13 million and expenses and transfer out of \$7.07 million. The Authority's total revenues/transfers in increased \$1.16 million or 16.73 percent over the previous fiscal year, while expenses/transfers out increased \$0.26 million or 3.81 percent.

The *Coachella Sanitary District's* change in net position increased \$0.49 million over the fiscal year 2016-17. The District had revenues and transfers in of \$6.40 million and expenses and transfers out of \$6.03 million. Revenues/transfers in increased \$0.51 million or 8.63 percent while expenses/transfers out decreased \$0.02 million or 0.34 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, 2018, amounts to \$250.45 million (net of accumulated depreciation). The City invests in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, art work, vehicles, and equipment. This amount represents a net increase which includes additions and deletions of \$9.91 million or 4.12 percent over the previous year.

<b>City of Coachella's Capital Assets Net of Depreciation</b>						
	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Land	\$ 16,628,848	\$ 14,530,825	\$ 887,772	\$ 887,772	\$ 17,516,620	\$ 15,418,597
Buildings & Improvements	4,189,299	4,412,063	585,257	612,683	4,774,556	5,024,746
Construction In Progress	22,183,699	12,395,518	1,203,505	966,217	23,387,204	13,361,735
Machinery & Equipment	664,887	804,753	1,734,685	2,021,650	2,399,572	2,826,403
Infrastructure	141,794,165	141,024,907	60,581,616	62,888,155	202,375,781	203,913,062
Totals	\$ 185,460,898	\$ 173,168,066	\$ 64,992,835	\$ 67,376,477	\$ 250,453,733	\$ 240,544,543

Governmental activities had the following projects in progress or completed during fiscal year 2017-18:

• Machinery and Equipment	\$104,919
• Buildings	\$8,991,989
• Bridges	\$51,452
• Sidewalks, SRTS, Bike Lanes	\$2,350,007
• Street improvements/rehab	\$2,003,487
• Traffic signal synchronization	\$2,124,157
• Parks	\$2,115,664

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

**Long-term debt:** At the end of the current fiscal year, the City's governmental activities had \$33.26 million in bonds, notes payable, compensated absences, claims payable and net pension/OPEB liabilities compared to \$32.42 million the previous year, an increase of \$.84 million or 2.58 percent. Business type activities had \$43.00 million in bonds, notes payable, contracts and compensated absences, claims payable, and net pension/OPEB liabilities compared to \$44.18 million last year, a decrease of \$1.18 million or 2.65 percent. See Note 6 Long-Term Liabilities.

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2018**

City of Coachella's Long-term Debt						
	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Compensated Absences	\$ 552,505	\$ 620,938	\$ 387,230	\$ 345,447	\$ 939,735	\$ 966,385
Coachella Lease Bonds	11,535,000	11,795,000	-	-	11,535,000	11,795,000
Bond Premium	227,270	235,387	-	-	227,270	235,387
Certificates of Participacion	5,745,000	5,920,000	-	-	5,745,000	5,920,000
Claims Payable	620,695	603,670	-	-	620,695	603,670
Net Pension Liability	11,231,170	9,933,671	4,803,349	4,035,067	16,034,519	13,968,738
Net OPEB Liability	2,239,955	2,145,232	1,458,654	1,407,065	3,698,609	3,552,297
Loans Payable	1,104,518	1,165,523	14,742,803	15,991,898	15,847,321	17,157,421
Revenue Bonds and Notes			21,617,565	22,401,005	21,617,565	22,401,005
Totals	<b>\$ 33,256,113</b>	<b>\$ 32,419,421</b>	<b>\$ 43,009,601</b>	<b>\$ 44,180,482</b>	<b>\$ 76,265,714</b>	<b>\$ 76,599,903</b>

### Economic Factors and Next Year's Budget

As the State of California and the County of Riverside go, so does the City of Coachella. 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 2019, 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.

In 2018-2019 the City of Coachella plans to spend \$29 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 2018-2019 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

**City of Coachella**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2018**

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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 \$0.63 million compared to the fiscal year 2016-17. During the fiscal year 2017-18, Sales Tax Revenue was \$8.44 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 2018-19 budget was approved with General Fund revenue projections of \$24.49 million providing a balanced budget. Taxes of \$17.83 million, charges for services of \$0.95 million, fines and forfeitures of \$0.49 million, and intergovernmental of \$0.74 million are expected to be the major contributors in the fiscal year surplus of \$1.55 million.

**Expenditure Outlook:** The fiscal year 2018-19 will see General Fund expenditures budgeted at \$22.94 million. The Public Safety budget continues to dominate with a budget of \$11.30 million, which represents 49.27 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 \$2.7 million in revenue to the General Fund.

**Requests for information**

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

## **BASIC FINANCIAL STATEMENTS**



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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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**City of Coachella**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 14,534,661	\$ 4,153,705	\$ 18,688,366
Restricted cash	-	13,370,910	13,370,910
Accounts receivable	1,069,080	1,455,554	2,524,634
Due from other governments	4,626,112	64,422	4,690,534
Internal balances	611,723	(611,723)	-
Prepaid items	1,228,452	122,848	1,351,300
Loans receivable	4,672,215	-	4,672,215
Investments with fiscal agent	4,223,593	24,492	4,248,085
Capital assets not being depreciated	38,812,547	2,091,277	40,903,824
Capital assets, net of depreciation	146,648,351	62,901,558	209,549,909
<b>Total Assets</b>	<b>216,426,734</b>	<b>83,573,043</b>	<b>299,999,777</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	-	361,525	361,525
Pension related items	3,211,568	1,609,340	4,820,908
<b>Total Deferred Outflows of Resources</b>	<b>3,211,568</b>	<b>1,970,865</b>	<b>5,182,433</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	5,791,375	529,713	6,321,088
Deposits payable	-	387,504	387,504
Due to other governments	120,949	-	120,949
Unearned revenue	1,855,261	-	1,855,261
Interest payable	50,918	401,262	452,180
Long-term liabilities:			
Due within one year	1,105,924	2,270,446	3,376,370
Due in more than one year	32,150,189	40,739,155	72,889,344
<b>Total Liabilities</b>	<b>41,074,616</b>	<b>44,328,080</b>	<b>85,402,696</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	997,680	243,088	1,240,768
Other postemployment benefit related items	88,099	57,369	145,468
<b>Total Deferred Inflows of Resources</b>	<b>1,085,779</b>	<b>300,457</b>	<b>1,386,236</b>
<b>NET POSITION</b>			
Net investment in capital assets	169,053,563	29,018,484	198,072,047
Restricted for:			
Low income housing	5,359,648	-	5,359,648
Highways and streets	3,103,947	-	3,103,947
Community development	474,721	-	474,721
Capital projects	12,087	13,395,402	13,407,489
Debt service	481,311	-	481,311
Other	16,208	-	16,208
Total restricted	9,447,922	13,395,402	22,843,324
Unrestricted	(1,023,578)	(1,498,515)	(2,522,093)
<b>Total Net Position</b>	<b>\$ 177,477,907</b>	<b>\$ 40,915,371</b>	<b>\$ 218,393,278</b>

See accompanying Notes to the Financial Statements.

**City of Coachella**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
General government	\$ 6,368,636	\$ 501,631	\$ 11,580	\$ -	\$ 513,211
Public safety	11,886,177	606,712	2,898,515	-	3,505,227
Community development	2,016,154	1,222,486	495,847	-	1,718,333
Public works	9,249,130	1,571,685	5,995,439	3,247,640	10,814,764
Parks and recreation	2,681,043	55,125	-	-	55,125
Interest on long-term debt	673,403	-	-	-	-
Total governmental activities	32,874,543	3,957,639	9,401,381	3,247,640	16,606,660
<b>Business-type Activities:</b>					
Water utility	6,332,662	6,170,863	-	938,957	7,109,820
Sewer utility	5,659,749	5,438,519	-	763,809	6,202,328
Total business-type activities	11,992,411	11,609,382	-	1,702,766	13,312,148
Total primary government	\$ 44,866,954	\$ 15,567,021	\$ 9,401,381	\$ 4,950,406	\$ 29,918,808

**City of Coachella**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2018**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>			
General government	\$ (5,855,425)	\$ -	\$ (5,855,425)
Public safety	(8,380,950)	-	(8,380,950)
Community development	(297,821)	-	(297,821)
Public works	1,565,634	-	1,565,634
Parks and recreation	(2,625,918)	-	(2,625,918)
Interest on long-term debt	(673,403)	-	(673,403)
Total governmental activities	(16,267,883)	-	(16,267,883)
<b>Business-type Activities:</b>			
Water utility	-	777,158	777,158
Sewer utility	-	542,579	542,579
Total business-type activities	-	1,319,737	1,319,737
Total primary government	(16,267,883)	1,319,737	(14,948,146)
<b>General Revenues:</b>			
Property taxes	5,036,564	146,243	5,182,807
Sales and use tax	8,436,931	-	8,436,931
Motor vehicle in lieu tax	287,345	-	287,345
Franchise taxes	930,959	-	930,959
Transient occupancy tax	90,361	-	
Utility users tax	2,311,494	-	2,311,494
Investment income (loss)	182,336	(8,682)	173,654
Other revenue	442,860	1,001,380	1,444,240
<b>Transfers</b>	1,022,479	(1,022,479)	-
Total general revenues and transfers	18,741,329	116,462	18,857,791
Change in Net Position	2,473,446	1,436,199	3,909,645
<b>Net Position</b>			
Beginning of year, as restated (Note 14)	175,004,461	39,479,172	214,483,633
End of year	\$ 177,477,907	\$ 40,915,371	\$ 218,393,278



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## **FUND FINANCIAL STATEMENTS**



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## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Coachella**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

		Special Revenue Funds		Capital Project Fund
	General Fund	Development Impact	ECD Entitlement Program	Capital Improvement Projects
<b>ASSETS</b>				
Cash and investments	\$ 3,369,746	\$ 3,126,177	\$ 1,177,436	\$ -
Receivables:				
Accounts receivable	737,544	311,232	-	-
Due from other governments	2,011,901	-	2,125,655	-
Loans receivable	-	-	-	-
Due from other funds	4,068,678	-	-	3,335,684
Prepaid items and deposits	1,160,141	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	-
Advance to other funds	14,501,238	-	-	-
<b>Total assets</b>	<b>\$ 25,849,248</b>	<b>\$ 3,437,409</b>	<b>\$ 3,303,091</b>	<b>\$ 3,335,684</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,878,023	\$ 172,398	\$ -	\$ 1,856,306
Accrued wages payable	150,361	-	-	979
Due to other governments	8,882	-	-	-
Due to other funds	-	-	2,125,655	1,478,399
Unearned revenue	97,145	-	1,165,349	-
Advance from other funds	-	14,501,238	-	-
<b>Total liabilities</b>	<b>3,134,411</b>	<b>14,673,636</b>	<b>3,291,004</b>	<b>3,335,684</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	2,125,655	-
<b>Fund Balances:</b>				
Nonspendable	15,661,379	-	-	-
Restricted	1,045	-	-	-
Committed	58,049	-	-	-
Assigned	545	-	-	-
Unassigned	6,993,819	(11,236,227)	(2,113,568)	-
<b>Total fund balances</b>	<b>22,714,837</b>	<b>(11,236,227)</b>	<b>(2,113,568)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 25,849,248</b>	<b>\$ 3,437,409</b>	<b>\$ 3,303,091</b>	<b>\$ 3,335,684</b>

**City of Coachella**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2018**

Debt Service Fund		
Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds

**ASSETS**

Cash and investments	\$ -	\$ 6,861,302	\$ 14,534,661
Receivables:			
Accounts receivable	-	20,304	1,069,080
Due from other governments	-	488,556	4,626,112
Loans receivable	-	4,672,215	4,672,215
Due from other funds	-	261,758	7,666,120
Prepaid items and deposits	68,311	-	1,228,452
Restricted assets:			
Cash and investments with fiscal agent	3,583,494	640,099	4,223,593
Advance to other funds	-	-	14,501,238
<b>Total assets</b>	<b>\$ 3,651,805</b>	<b>\$ 12,944,234</b>	<b>\$ 52,521,471</b>

**LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCES**

**Liabilities:**

Accounts payable and accrued liabilities	\$ -	\$ 728,425	\$ 5,635,152
Accrued wages payable	-	4,883	156,223
Due to other governments	-	112,067	120,949
Due to other funds	1,379,041	2,071,302	7,054,397
Unearned revenue	-	592,767	1,855,261
Advance from other funds	-	-	14,501,238
<b>Total liabilities</b>	<b>1,379,041</b>	<b>3,509,444</b>	<b>29,323,220</b>

**Deferred Inflows of Resources:**

Unavailable revenue	-	249,400	2,375,055
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**Fund Balances:**

Nonspendable	68,311	-	15,729,690
Restricted	2,204,453	9,185,390	11,390,888
Committed	-	-	58,049
Assigned	-	-	545
Unassigned	-	-	(6,355,976)
<b>Total fund balances</b>	<b>2,272,764</b>	<b>9,185,390</b>	<b>20,823,196</b>

**Total liabilities, deferred inflows  
of resources and fund balances**

<b>\$ 3,651,805</b>	<b>\$ 12,944,234</b>	<b>\$ 52,521,471</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, 2018**

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Fund Balances of Governmental Funds	\$	20,823,196
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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.		185,460,898
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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.		2,375,055
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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		(552,505)
Long-term debt		(18,611,788)
Claims payable		(620,695)

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.		(50,918)
--	--	----------

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 pension		3,211,568
Net pension liability		(11,231,170)
Deferred inflows of resources related to pension		(997,680)

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:		
Net pension liability		(2,239,955)
Deferred inflows of resources related to other postemployment benefits		(88,099)

Net Position of Governmental Activities	\$	177,477,907
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**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

		Special Revenue Funds		Capital Project Fund
	General Fund	Development Impact	ECD Entitlement Program	Capital Improvement Projects
<b>REVENUES:</b>				
Taxes	\$ 17,093,655	\$ -	\$ -	\$ -
Licenses, permits and fees	271,365	-	-	-
Charges for services	1,267,423	-	-	-
Fines, forfeitures and penalties	527,480	-	-	-
Intergovernmental	690,970	-	2,077,611	-
Developer fees	-	1,330,260	-	-
Special assessments	1,035,609	-	-	-
Investment income (loss)	150,066	(5,470)	-	-
Other revenue	738,470	-	-	1,170,029
<b>Total revenues</b>	<b>21,775,038</b>	<b>1,324,790</b>	<b>2,077,611</b>	<b>1,170,029</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,766,925	-	-	-
Public safety - police	8,512,576	-	-	-
Public safety - fire	-	-	-	-
Public safety - animal control	255,029	-	-	-
Community development	1,399,217	-	-	-
Community development - building	436,395	-	-	-
Public works - engineering	735,513	-	-	-
Public works	1,398,552	9,000	40,750	-
Parks and recreation	1,814,259	-	-	-
Capital outlay	30,254	2,123,570	-	15,608,385
Debt service:				
Principal retirement	-	61,005	-	-
Interest and fiscal charges	-	163,326	-	-
<b>Total expenditures</b>	<b>20,348,720</b>	<b>2,356,901</b>	<b>40,750</b>	<b>15,608,385</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,426,318</b>	<b>(1,032,111)</b>	<b>2,036,861</b>	<b>(14,438,356)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	12,921,719	-	-	14,438,356
Transfers out	(2,670,573)	(9,844,034)	(4,162,635)	-
<b>Total other financing sources (uses)</b>	<b>10,251,146</b>	<b>(9,844,034)</b>	<b>(4,162,635)</b>	<b>14,438,356</b>
<b>Net change in fund balances</b>	<b>11,677,464</b>	<b>(10,876,145)</b>	<b>(2,125,774)</b>	<b>-</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 14)	11,037,373	(360,082)	12,206	-
End of year	<u>\$ 22,714,837</u>	<u>\$ (11,236,227)</u>	<u>\$ (2,113,568)</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

**City of Coachella**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Debt Service Fund		Total Governmental Funds
	Lease Revenue Bonds	Other Governmental Funds	
<b>REVENUES:</b>			
Taxes	\$ -	\$ 778,135	\$ 17,871,790
Licenses, permits and fees	-	50	271,415
Charges for services	-	105,203	1,372,626
Fines, forfeitures and penalties	-	-	527,480
Intergovernmental	-	2,086,293	4,854,874
Developer fees	-	-	1,330,260
Special assessments	-	2,608,266	3,643,875
Investment income (loss)	85,456	22,059	252,111
Other revenue	-	35,544	1,944,043
<b>Total revenues</b>	<b>85,456</b>	<b>5,635,550</b>	<b>32,068,474</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	871	5,767,796
Public safety - police	-	-	8,512,576
Fire	-	2,988,115	2,988,115
Public safety - animal control	-	-	255,029
Community development	-	52,749	1,451,966
Building department	-	-	436,395
Engineering department	-	-	735,513
Public works	-	1,672,302	3,120,604
Parks and recreation	-	-	1,814,259
Capital outlay	-	1,020,029	18,782,238
Debt service:			
Principal retirement	260,000	175,000	496,005
Interest and fiscal charges	358,582	278,593	800,501
<b>Total expenditures</b>	<b>618,582</b>	<b>6,187,659</b>	<b>45,160,997</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(533,126)</b>	<b>(552,109)</b>	<b>(13,092,523)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	615,977	2,004,595	29,980,647
Transfers out	(9,905,108)	(2,375,818)	(28,958,168)
<b>Total other financing sources (uses)</b>	<b>(9,289,131)</b>	<b>(371,223)</b>	<b>1,022,479</b>
<b>Net change in fund balances</b>	<b>(9,822,257)</b>	<b>(923,332)</b>	<b>(12,070,044)</b>
<b>FUND BALANCE:</b>			
Beginning of year, as restated (Note 14)	12,095,021	10,108,722	32,893,240
End of year	<u>\$ 2,272,764</u>	<u>\$ 9,185,390</u>	<u>\$ 20,823,196</u>

**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, 2018**

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Net Change in Fund Balances - Governmental Funds \$ (12,070,044)

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

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

Capital outlay	17,811,586
Depreciation	(5,518,754)

Revenues in the Statement of Activities that do not provide current financial resources are not reported in the Funds.	2,375,055
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Governmental funds report activity of long-term liabilities as revenues and expenditures, but they are included as increases and reductions on the long-term liabilities in the Statement of Net Position.

Long-term debt principal payments	496,005
Claims payable	(17,025)

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.	68,433
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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.	9,079
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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 \$928,758.	(504,180)
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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 \$82,962.	(176,709)
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Change in Net Position of Governmental Activities	\$ 2,473,446
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## **PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Coachella**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

		Business-type Activities		
		Enterprise Funds		
		Water	Sanitary	
		Authority	District	Total
ASSETS				
<b>Current Assets:</b>				
Cash and investments	\$	4,153,705	\$ -	\$ 4,153,705
Restricted cash		6,554,892	6,816,018	13,370,910
Accounts receivable, net		1,046,976	408,578	1,455,554
Due from other government		-	64,422	64,422
Prepaid items		97,281	25,567	122,848
Total current assets		11,852,854	7,314,585	19,167,439
<b>Noncurrent Assets:</b>				
Investments with fiscal agent		34	24,458	24,492
Capital assets not being depreciated		1,521,227	570,050	2,091,277
Capital assets being depreciated		60,944,527	62,158,652	123,103,179
Less: accumulated depreciation		(31,734,180)	(28,467,441)	(60,201,621)
Total capital assets		30,731,574	34,261,261	64,992,835
Total noncurrent assets		30,731,608	34,285,719	65,017,327
<b>Total assets</b>		<b>42,584,462</b>	<b>41,600,304</b>	<b>84,184,766</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges from debt refunding		156,900	204,625	361,525
Deferred amount related to pension		775,814	833,526	1,609,340
<b>Total deferred outflows of resources</b>		<b>932,714</b>	<b>1,038,151</b>	<b>1,970,865</b>

(Continued)

**City of Coachella**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2018**

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	357,215	96,106	453,321
Accrued wages payable	36,360	40,032	76,392
Deposits payable	387,504	-	387,504
Due to other funds	-	611,723	611,723
Interest payable	232,757	168,505	401,262
Compensated absences, due within one year	183,452	62,004	245,456
Bonds payable, due within one year	505,767	242,548	748,315
Loans payable, due within one year	-	1,276,675	1,276,675
Total current liabilities	1,703,055	2,497,593	4,200,648
Noncurrent Liabilities:			
Compensated absences, due in more than one year	-	141,774	141,774
Bonds payable, due in more than one year	12,861,459	8,007,791	20,869,250
Loans payable, due in more than one year	-	13,466,128	13,466,128
Net other postemployment benefits liability	744,544	714,110	1,458,654
Net pension liability	2,315,420	2,487,929	4,803,349
Total noncurrent liabilities	15,921,423	24,817,732	40,739,155
Total liabilities	17,624,478	27,315,325	44,939,803
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pension	117,179	125,909	243,088
Deferred amount related to other postemployment benefits	29,283	28,086	57,369
Total deferred inflows of resources	146,462	153,995	300,457
NET POSITION			
Net investment in capital assets	17,521,282	11,497,202	29,018,484
Restricted for capital projects	6,554,926	6,840,476	13,395,402
Unrestricted	1,670,028	(3,168,543)	(1,498,515)
Total Net Position	\$ 25,746,236	\$ 15,169,135	\$ 40,915,371



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**City of Coachella**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-type Activities Enterprise Funds		
	Water Authority	Sanitary District	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,170,863	\$ 5,438,519	\$ 11,609,382
Connection charges	938,957	763,809	1,702,766
Other revenue	990,251	11,129	1,001,380
Total operating revenue	8,100,071	6,213,457	14,313,528
<b>OPERATING EXPENSES</b>			
Salaries and benefits	2,161,526	2,207,027	4,368,553
Administrative and general	301,712	335,178	636,890
Professional services	458,456	304,197	762,653
Materials and supplies	582,964	191,665	774,629
Repairs and maintenance	118,158	223,286	341,444
Utilities	897,224	319,314	1,216,538
Depreciation and amortization	1,317,192	1,392,441	2,709,633
Total operating expenses	5,837,232	4,973,108	10,810,340
Operating income	2,262,839	1,240,349	3,503,188
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Property taxes	-	146,243	146,243
Investment loss	(5,426)	(3,256)	(8,682)
Interest expense and fiscal charges	(495,430)	(686,641)	(1,182,071)
Total nonoperating revenues (expenses)	(500,856)	(543,654)	(1,044,510)
Income before transfers	1,761,983	696,695	2,458,678
<b>TRANSFERS</b>			
Transfers in	30,969	47,030	77,999
Transfers out	(730,827)	(369,651)	(1,100,478)
Total transfers	(699,858)	(322,621)	(1,022,479)
Change in net position	1,062,125	374,074	1,436,199
<b>NET POSITION</b>			
Beginning of year, as restated (Note 14)	24,684,111	14,795,061	39,479,172
End of year	\$ 25,746,236	\$ 15,169,135	\$ 40,915,371

**City of Coachella**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-type Activities Enterprise Funds		
	Water Authority	Sanitary District	Total
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 7,761,633	\$ 6,104,760	\$ 13,866,393
Cash payments to vendors and suppliers	(2,638,375)	(1,450,896)	(4,089,271)
Cash payments to employees for services	(1,882,019)	(1,851,005)	(3,733,024)
Net cash provided by operating activities	3,241,239	2,802,859	6,044,098
<b>Cash Flows from Noncapital Financing Activities:</b>			
Property taxes received	-	131,707	131,707
Cash transferred/received from other funds	30,969	658,753	689,722
Cash transferred/paid to other funds	(730,827)	(369,651)	(1,100,478)
Net cash provided by (used in) noncapital financing activities	(699,858)	420,809	(279,049)
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(245,784)	(80,207)	(325,991)
Principal paid on long-term debt	(497,801)	(1,488,341)	(1,986,142)
Interest paid on long-term debt	(525,174)	(695,392)	(1,220,566)
Net cash used in capital and related financing activities	(1,268,759)	(2,263,940)	(3,532,699)
<b>Cash Flows from Investing Activities</b>			
Interest on investments	(5,426)	(3,256)	(8,682)
Net cash used in investing activities	(5,426)	(3,256)	(8,682)
Net change in cash and cash equivalents	1,267,196	956,472	2,223,668
<b>Cash and Cash Equivalents:</b>			
Beginning of year	9,441,435	5,884,004	15,325,439
End of year	\$ 10,708,631	\$ 6,840,476	\$ 17,549,107
<b>Cash and Investments:</b>			
Cash and investments	\$ 4,153,705	\$ -	\$ 4,153,705
Restricted cash	6,554,892	6,816,018	13,370,910
Investment with fiscal agent	34	24,458	24,492
Total cash and cash equivalents	\$ 10,708,631	\$ 6,840,476	\$ 17,549,107

(Continued)

**City of Coachella**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	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	\$ 2,262,839	\$ 1,240,349	\$ 3,503,188
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,317,192	1,392,441	2,709,633
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(346,489)	(108,697)	(455,186)
Decrease (increase) in prepaid items	6,126	1,420	7,546
Decrease (increase) in deferred outflows of resources - pension	(185,158)	(220,767)	(405,925)
Increase (decrease) in accounts payable	(285,987)	(78,676)	(364,663)
Increase (decrease) in accrued wages payable	11,281	14,874	26,155
Increase (decrease) in deposits payable	8,051	-	8,051
Increase (decrease) in compensated absences	17,586	24,197	41,783
Increase (decrease) in net pension liability	334,941	433,341	768,282
Increase (decrease) in net OPEB liability	29,453	28,249	57,702
Increase (decrease) in deferred inflows of resources - pension	42,121	48,042	90,163
Increase (decrease) in deferred inflows of resources - OPEB	29,283	28,086	57,369
Total adjustments	978,400	1,562,510	2,540,910
<b>Net cash provided by operating activities</b>	<b>\$ 3,241,239</b>	<b>\$ 2,802,859</b>	<b>\$ 6,044,098</b>
<b>Noncash Investing, Capital and Financing Activities</b>			
Amortization of premium on bonds and deferred charges	\$ (24,678)	\$ 113	\$ (24,565)



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## **FIDUCIARY FUND FINANCIAL STATEMENTS**



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**City of Coachella**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Successor Agency Private-Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and investments	\$ 785,623	\$ 2,835,862
Receivables:		
Accounts receivable	5,069	538,940
Interest receivable	289,050	-
Loans receivable	2,416,805	-
Prepaid items	274,460	-
Restricted cash and investments	225	-
Land held for resale	1,347,092	-
<b>Total assets</b>	<u>5,118,324</u>	<u>\$ 3,374,802</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding	<u>34,164</u>	
<b>LIABILITIES</b>		
Accounts payable	1,730	\$ 75
Pass-through payable	-	2,521,531
Claims Payable	-	2,746
Due to refuse service provider	-	66,128
Deposits payable	-	784,322
Accrued interest	459,516	-
Long-term liabilities:		
Due within one year	1,565,000	-
Due in more than one year	35,333,173	-
<b>Total liabilities</b>	<u>37,359,419</u>	<u>\$ 3,374,802</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred gain on refunding	<u>525,910</u>	
<b>NET POSITION HELD IN TRUST</b>	<u>\$ (32,732,841)</u>	

**City of Coachella**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2018**

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**ADDITIONS:**

Redevelopment Agency Property Tax Trust Fund	\$ 3,352,054
Use of money and property	<u>148,766</u>
<b>Total additions</b>	<u><u>3,500,820</u></u>

**DEDUCTIONS:**

Interest and fiscal charges	1,329,447
Administrative Expenses	<u>600,892</u>
<b>Total deductions</b>	<u><u>1,930,339</u></u>

<b>Change in net position</b>	1,570,481
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**NET POSITION HELD IN TRUST:**

Beginning of year	<u>(34,303,322)</u>
End of year	<u><u>\$ (32,732,841)</u></u>

## **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, 2018**

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**City of Coachella**  
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**For the Fiscal Year Ended June 30, 2018**

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**City of Coachella**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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

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

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

**Coachella Sanitary District** – The Coachella Sanitary District (the "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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**A. *Financial Reporting Entity (Continued)***

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, are available, excluding the Coachella Financing Authority, and may be obtained at 1515 Sixth Street, Coachella, California 92236.

**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. 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

***B. Measurement focus, Basis of Accounting and Financial Statements Presentation (Continued)***

*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.

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.

*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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

---

**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)*

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.

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 individuals, private organizations, other governments, and/or other funds. 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

---

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

***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.

***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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

---

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

***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.

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.

***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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

---

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

***J. Long-Term Liabilities (Continued)***

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.

***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, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

---

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

***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, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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.

***O. Deferred Outflows/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, 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.



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

---

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

***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.

*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 amount. 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**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.

**T. Accounting Changes**

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. The accounting change resulted in restatement of beginning net position at July 1, 2017. See Note 14.

GASB has issued Statement No. 85, *Omnibus 2017* (GASB 85). This Statement establishes accounting and financing reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

**Note 2 – Cash and Investments**

Cash and investments at June 30, 2018 are classified as follows:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 14,534,661	\$ 4,153,705	\$ 3,621,485	\$ 22,309,851
Restricted cash	-	13,370,910	-	13,370,910
Cash and investment with fiscal agent	4,223,593	24,492	225	4,248,310
Total cash and investments	<u>\$ 18,758,254</u>	<u>\$ 17,549,107</u>	<u>\$ 3,621,710</u>	<u>\$ 39,929,071</u>

Cash and investments at June 30, 2018 consisted of the following:

Cash and Investments:	
Petty cash	\$ 3,075
Deposits with financial institutions	12,681,679
Pool cash with County of Riverside	158,795
Investments	<u>27,085,522</u>
Total cash investments	<u>\$ 39,929,071</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**A. Demand Deposits**

The carrying amounts of the City's demand deposits were \$12,681,679 at June 30, 2018. Bank balances at that date were \$16,766,315, 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**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.

**D. Fair Value Measurement**

At June 30, 2018, 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, 2018:

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 <sup>(1)</sup>	\$ 5,559,022	\$ 5,559,022	\$ -	\$ -
Supranational agency bonds <sup>(1)</sup>	223,920	-	223,920	-
US government sponsored enterprise securities <sup>(1) (2)</sup>	4,620,189	-	4,620,189	-
Corporate note <sup>(1)</sup>	4,059,518	-	4,059,518	-
Negotiable certificates of deposit <sup>(3)</sup>	3,972,144	-	3,972,144	-
Money market funds	22,593	-	-	22,593
LAIF	4,538,621	-	-	4,538,621
Investments with Fiscal Agent:				
Money market funds	3,638,277	-	-	3,638,277
Investment agreement	451,238	-	451,238	-
Total investments	<u>\$ 27,085,522</u>	<u>\$ 5,559,022</u>	<u>\$ 13,327,009</u>	<u>\$ 8,199,491</u>

<sup>(1)</sup> Priced base on IDSI Institutional Bond Quotes.

<sup>(2)</sup> Priced base on IDSI CMO Pricing.

<sup>(3)</sup> Priced base on IDSI CD Pricing.

**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, 2018**

**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
Investments:						
US Treasury notes	\$ 5,559,022	\$ -	\$ 593,115	\$ 1,748,203	\$ 1,669,476	\$ 1,548,228
Supranational agency bonds	223,920	-	-	223,920	-	-
US government sponsored enterprise securities	4,620,189	20,149	1,627,705	535,843	2,336,453	100,039
Corporate note	4,059,518	-	1,165,320	1,711,652	916,078	266,468
Negotiable certificates of deposit	3,972,144	1,449,568	1,835,526	687,050	-	-
Money market funds	22,593	22,593	-	-	-	-
LAIF	4,538,621	4,538,621	-	-	-	-
Investments with Fiscal Agent:						
Money market funds	3,638,277	3,638,277	-	-	-	-
Investment agreement	451,238	-	-	-	-	451,238
Total investments	<u>\$ 27,085,522</u>	<u>\$ 9,669,208</u>	<u>\$ 5,221,666</u>	<u>\$ 4,906,668</u>	<u>\$ 4,922,007</u>	<u>\$ 2,365,973</u>

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	AAA	AA- to AA+	A- to A+	BBB	Unrated
Investments:							
US Treasury notes	N/A	\$ 5,559,022	\$ 5,559,022	\$ -	\$ -	\$ -	\$ -
Supranational agency bonds	AA	223,920	223,920	-	-	-	-
US government sponsored enterprise securities	N/A	4,620,189	-	4,620,189	-	-	-
Corporate note	A	4,059,518	-	981,573	2,733,463	344,482	-
Negotiable certificates of deposit	A	3,972,144	-	965,574	3,006,570	-	-
Money market funds	N/A	22,593	22,593	-	-	-	-
LAIF	N/A	4,538,621	-	-	-	-	4,538,621
Investments with Fiscal Agent:							
Money market funds	N/A	3,638,277	-	-	-	-	3,638,277
Investment agreement	N/A	451,238	-	-	-	-	451,238
Total investments		<u>\$ 27,085,522</u>	<u>\$ 5,805,535</u>	<u>\$ 6,567,336</u>	<u>\$ 5,740,033</u>	<u>\$ 344,482</u>	<u>\$ 8,628,136</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**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, 2018 are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	US government sponsored enterprise securities	\$ 3,296,131
Federal Home Loan Mortgage Corporation	US government sponsored enterprise securities	1,324,058

*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, 2018, 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, 2018 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, 2018, the City had \$4,538,621 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes, Medium-term Asset-Backed Securities, and Short-term Asset Backed Commercial Paper.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 3 – Interfund Transactions**

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

At June 30, 2018, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds			
	General Fund	Capital Improvement Capital Projects Fund	Nonmajor Governmental Funds	Total
ECD Entitlement Program Special Revenue Fund	\$ -	\$ 2,125,655	\$ -	\$ 2,125,655
Capital Improvement Capital Projects Fund	1,478,399	-	-	1,478,399
Lease Revenue Bonds	1,379,041	-	-	1,379,041
Nonmajor Governmental Funds	599,515	1,210,029	261,758	2,071,302
Sanitary District Enterprise Fund	611,723	-	-	611,723
<b>Total</b>	<b>\$ 4,068,678</b>	<b>\$ 3,335,684</b>	<b>\$ 261,758</b>	<b>\$ 7,666,120</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, 2018, interfund loan due to the General Fund from the Capital Improvements Projects Capital Project Fund totaling \$2,857,440. ECD Entitlement Program Special Revenue Fund reported interfund payable to Capital Improvement Capital Projects Fund for grant funding to be provided. Nonmajor governmental funds reported \$599,515 and \$1,210,029 interfund payable to General Fund and Capital Improvement Capital Projects Fund, respectively, for reimbursable expenditures and short-term loans to cover deficit cash. The Sanitary District Enterprise reported \$611,723 short-term cash borrowing from General Fund to cover cash shortfall.

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

At June 30, 2018, the City had the following advances to/from other funds:

Advance From Other Fund	Advance To Other Funds
	General Fund
Development Impact Special Revenue Fund	\$ 14,501,238

**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, 2018, principal amount outstanding and accrued interest were in the amounts of \$12,176,540 and \$83,438, respectively.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**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, 2018, principal amount outstanding and accrued interest were in the amounts of \$1,907,000 and \$34,581, 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. 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, 2018, principal amount outstanding and accrued interest were in the amounts of \$299,679 and \$0, respectively..

**C. Transfers**

During the year ended June 30, 2018, 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	
Transfers out							
General Fund	\$ -	\$ 50,001	\$ 615,977	\$ 2,004,595	\$ -	\$ -	\$ 2,670,573
Development Impact Special Revenue Funds	-	9,844,034	-	-	-	-	9,844,034
ECD Entitlement Program Special Revenue Fund	-	4,084,636	-	-	30,969	47,030	4,162,635
Lease Revenue Bonds Debt Service Fund	9,905,108	-	-	-	-	-	9,905,108
Nonmajor Governmental Funds	1,916,133	459,685	-	-	-	-	2,375,818
Water Authority Enterprise Fund	730,827	-	-	-	-	-	730,827
Sanitary District Enterprise Fund	369,651	-	-	-	-	-	369,651
<b>Total</b>	<b>\$ 12,921,719</b>	<b>\$ 14,438,356</b>	<b>\$ 615,977</b>	<b>\$ 2,004,595</b>	<b>\$ 30,969</b>	<b>\$ 47,030</b>	<b>\$ 30,058,646</b>

Transfers from Lease Revenue Bonds Debt Service Fund to General Fund is to provide funding for the construction of the library. Transfers from the nonmajor governmental funds to General Fund in the amount of \$1,916,113 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.



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**C. Transfers (Continued)**

Transfers from Development Impact Special Revenue Fund to Capital Improvement Capital Projects Fund in the amount of \$9,844,035 were for the construction of the Library, street projects, and permit center.

Transfers from General Fund, 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.

Transfer from General Fund to Lease Revenue Bonds Debt Service Fund in the amount of \$615,977 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 \$443,793 and to cover overhead incurred by the Fire District in the amount of \$1,560,802.

**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, 2018 was \$4,672,215.

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, 2018 was \$2,416,805.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 5 – Capital Assets**

The summary of changes in capital assets for the governmental activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Reclassifications	Balance June 30, 2018
<i>Capital assets not being depreciated:</i>					
Land	\$ 14,530,825	\$ 2,098,023	\$ -	\$ -	\$ 16,628,848
Construction in progress	12,395,518	15,608,644	-	(5,820,463)	22,183,699
Total capital assets not being depreciated	26,926,343	17,706,667	-	(5,820,463)	38,812,547
<i>Capital assets being depreciated:</i>					
Buildings	8,786,448	-	-	-	8,786,448
Machinery and equipment	7,560,602	104,919	-	-	7,665,521
Furniture and fixture	6,978	-	-	-	6,978
Infrastructure	201,245,759	-	-	5,820,463	207,066,222
Total capital assets being depreciated	217,599,787	104,919	-	5,820,463	223,525,169
<i>Less accumulated depreciation for:</i>					
Buildings	(4,374,385)	(222,764)	-	-	(4,597,149)
Machinery and equipment	(6,755,849)	(244,785)	-	-	(7,000,634)
Furniture and fixture	(6,978)	-	-	-	(6,978)
Infrastructure	(60,220,852)	(5,051,205)	-	-	(65,272,057)
Total accumulated depreciation	(71,358,064)	(5,518,754)	-	-	(76,876,818)
Total capital assets being depreciated, net	146,241,723	(5,413,835)	-	5,820,463	146,648,351
<b>Total governmental activities</b>	<b>\$ 173,168,066</b>	<b>\$ 12,292,832</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 185,460,898</b>

The depreciation was charged to the governmental activities as follows:

General government	\$ 397,387
Fire	70,162
Public works	4,251,086
Parks and recreation	800,119
<b>Total depreciation expense</b>	<b>\$ 5,518,754</b>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

The summary of changes in capital assets for the business-type activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<i>Capital assets not being depreciated:</i>				
Land	\$ 887,772	\$ -	\$ -	\$ 887,772
Construction in progress	966,217	237,288	-	1,203,505
Total capital assets not being depreciated	1,853,989	237,288	-	2,091,277
<i>Capital assets being depreciated:</i>				
Buildings	1,221,306	-	-	1,221,306
Machinery and equipment	12,634,772	88,703	-	12,723,475
Infrastructure	109,158,399	-	-	109,158,399
Total capital assets being depreciated	123,014,477	88,703	-	123,103,180
<i>Less accumulated depreciation for:</i>				
Buildings	(608,623)	(27,426)	-	(636,049)
Machinery and equipment	(10,613,122)	(375,668)	-	(10,988,790)
Infrastructure	(46,270,244)	(2,306,539)	-	(48,576,783)
Total accumulated depreciation	(57,491,989)	(2,709,633)	-	(60,201,622)
Total capital assets being depreciated, net	65,522,488	(2,620,930)	-	62,901,558
<b>Total business-type activities</b>	<b>\$ 67,376,477</b>	<b>\$ (2,383,642)</b>	<b>\$ -</b>	<b>\$ 64,992,835</b>

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

Water	\$ 1,317,192
Sanitary	1,392,441
<b>Total depreciation expense</b>	<b>\$ 2,709,633</b>

**Note 6 – Long-Term Liabilities**

**A. Governmental Activities**

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017 (As Restated)	Additions	Deletions	Balance June 30, 2018	Classification	
					Due within One Year	Due in more than One Year
Loans payable	\$ 1,165,523	\$ -	\$ (61,005)	\$ 1,104,518	\$ 63,490	\$ 1,041,028
Revenue Bonds:						
2016 Lease Revenue Bonds	11,795,000	-	(260,000)	11,535,000	265,000	11,270,000
2016 Bond premium	235,387	-	(8,117)	227,270	-	227,270
Total revenue bonds	12,030,387	-	(268,117)	11,762,270	265,000	11,497,270
2008 Certificates of						
Participation	5,920,000	-	(175,000)	5,745,000	185,000	5,560,000
Compensated absences	620,938	48,950	(117,383)	552,505	211,601	340,904
Claims payable	603,670	49,947	(32,922)	620,695	380,833	239,862
Net pension liability	9,933,671	6,613,968	(5,316,469)	11,231,170	-	11,231,170
Net OPEB liability	2,145,232	236,955	(142,232)	2,239,955	-	2,239,955
<b>Total</b>	<b>\$ 32,419,421</b>	<b>\$ 6,949,820</b>	<b>\$ (6,113,128)</b>	<b>\$ 33,256,113</b>	<b>\$ 1,105,924</b>	<b>\$ 32,150,189</b>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**A. Governmental Activities (Continued)**

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, 2018 was in the amount of \$1,104,518.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 63,490	\$ 43,025	\$ 106,515
2020	66,077	40,438	106,515
2021	68,769	37,746	106,515
2022	71,570	34,945	106,515
2023	74,486	32,029	106,515
2024-2028	420,501	112,074	532,575
2029-2032	339,625	24,301	363,926
Total	<u>\$ 1,104,518</u>	<u>\$ 324,558</u>	<u>\$ 1,429,076</u>

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, 2018 was in the amount of \$11,535,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 265,000	\$ 346,706	\$ 611,706
2020	265,000	342,731	607,731
2021	280,000	332,131	612,131
2022	290,000	320,931	610,931
2023	300,000	309,331	609,331
2024-2028	1,695,000	1,295,557	2,990,557
2029-2033	1,955,000	1,056,075	3,011,075
2034-2038	2,210,000	777,025	2,987,025
2039-2043	2,550,000	416,250	2,966,250
2044-2046	1,725,000	52,650	1,777,650
Total	<u>\$ 11,535,000</u>	<u>\$ 5,249,387</u>	<u>\$ 16,784,387</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**A. Governmental Activities (Continued)**

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, 2018, the City has a reserve for debt service of in the amount of \$451,321 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance of the 2008 Certificates of Participation at June 30, 2018 was in the amount of \$5,745,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 185,000	\$ 264,309	\$ 91,810
2020	190,000	256,909	91,811
2021	200,000	249,309	91,811
2022	210,000	241,109	91,811
2023	215,000	232,079	447,079
2024-2028	1,235,000	1,008,027	2,243,027
2029-2033	1,550,000	693,500	2,243,500
2034-2038	1,960,000	288,087	2,248,087
Total	<u>\$ 5,745,000</u>	<u>\$ 3,233,329</u>	<u>\$ 7,548,936</u>

**B. Business-Type Activities**

Summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017 (As Restated)	Additions	Deletions	Balance June 30, 2018	Classification	
					Due within One Year	Due in more than One Year
Loans payable	\$ 15,991,898	\$ -	\$ (1,249,095)	\$ 14,742,803	\$ 1,276,675	\$ 13,466,128
Revenue bonds:						
2005B Wastewater	4,312,000	-	(79,246)	4,232,754	82,548	4,150,206
2015A Wastewater	3,975,000	-	(160,000)	3,815,000	160,000	3,655,000
2008 Water (USDA)	4,550,502	-	(67,801)	4,482,701	70,767	4,411,934
2012 Water Revenue	8,805,000	-	(430,000)	8,375,000	435,000	7,940,000
Bonds premium	758,503	-	(46,393)	712,110	-	712,110
Total revenue bonds	<u>22,401,005</u>	<u>-</u>	<u>(783,440)</u>	<u>21,617,565</u>	<u>748,315</u>	<u>20,869,250</u>
Compensated absences	345,447	71,359	(29,576)	387,230	245,456	141,774
Net pension liability	4,035,067	2,875,054	(2,106,772)	4,803,349	-	4,803,349
Net OPEB liability	1,407,065	154,548	(102,959)	1,458,654	-	1,458,654
<b>Total</b>	<u>\$ 44,180,482</u>	<u>\$ 3,100,961</u>	<u>\$ (4,271,842)</u>	<u>\$ 43,009,601</u>	<u>\$ 2,270,446</u>	<u>\$ 40,739,155</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

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

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, 2018 was in the amount of \$12,112,197.

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, 2018 was in the amount of \$2,630,606.

Total outstanding balance for the loans payable was in the amount of \$14,742,803.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 1,276,675	\$ 339,870	\$ 1,616,545
2020	1,309,889	310,350	1,620,239
2021	1,338,751	280,182	1,618,933
2022	1,373,278	249,230	1,622,508
2023	1,403,483	217,600	1,621,083
2024-2028	6,005,121	587,948	6,593,069
2029-2033	360,000	216,434	576,434
2034-2038	400,000	170,953	570,953
2039-2043	455,000	119,653	574,653
2044-2048	505,000	62,059	567,059
2049-2051	315,606	7,153	322,759
Total	<u>\$ 14,742,803</u>	<u>\$ 2,561,432</u>	<u>\$ 17,304,235</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, 2018 was in the amount of \$4,232,754.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

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

2005 Wastewater Revenue Refunding Bonds, Series B (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 82,548	\$ 172,899	\$ 255,447
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
2024-2028	550,211	725,592	1,275,803
2029-2033	674,826	599,679	1,274,505
2034-2038	827,662	445,249	1,272,911
2039-2043	1,015,115	255,844	1,270,959
2044-2046	716,332	45,127	761,459
Total	<u>\$ 4,232,754</u>	<u>\$ 2,899,745</u>	<u>\$ 7,132,499</u>

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, 2018, 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, 2018 was in the amount of \$3,815,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 160,000	\$ 146,725	\$ 306,725
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
2024-2028	1,080,000	458,375	1,538,375
2029-2033	1,300,000	225,014	1,525,014
2034-2035	580,000	29,531	609,531
Total	<u>\$ 3,815,000</u>	<u>\$ 1,390,145</u>	<u>\$ 5,205,145</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

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

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 1 and July 1 each year, and accrues at 4.375% per annum. Principal is payable in annual installments ranging from \$48,135 to \$255,746 commencing July 1, 2009, through July 1, 2048. The outstanding balance for the 2008 Water Revenue (USDA) Bonds at June 30, 2018 was in the amount of \$4,482,701.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 70,767	\$ 194,570	\$ 265,337
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
2024-2028	478,376	845,583	1,323,959
2029-2033	592,588	728,874	1,321,462
2034-2038	734,068	584,300	1,318,368
2039-2043	909,323	405,211	1,314,534
2044-2048	1,126,421	183,364	1,309,785
2049	255,746	5,594	261,340
Total	<u>\$ 4,482,701</u>	<u>\$ 3,692,724</u>	<u>\$ 8,175,425</u>

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, 2018, 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, 2018 was in the amount of \$8,375,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 435,000	\$ 318,925	\$ 753,925
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
2024-2028	2,730,000	781,087	3,511,087
2029-2033	3,350,000	349,000	3,699,000
Total	<u>\$ 8,375,000</u>	<u>\$ 2,632,237</u>	<u>\$ 11,007,237</u>



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**C. Fiduciary Activities**

Summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Classification	
					Due within One Year	Due in more than One Year
2013 Tax Allocation Bonds	\$ 4,165,000	\$ -	\$ (380,000)	\$ 3,785,000	\$ 385,000	\$ 3,400,000
2014 Tax Allocation Bonds	8,765,000	-	(215,000)	8,550,000	220,000	8,330,000
2016 Tax Allocation Bonds, Series A	14,400,000	-	(525,000)	13,875,000	535,000	13,340,000
2016A Bond premium	1,935,053	-	(100,522)	1,834,531	-	1,834,531
2016 Tax Allocation Bonds, Series B	9,335,000	-	(415,000)	8,920,000	425,000	8,495,000
2016B Bond discount	(69,995)	-	3,637	(66,358)	-	(66,358)
<b>Total</b>	<b>\$ 38,530,058</b>	<b>\$ -</b>	<b>\$ (1,631,885)</b>	<b>\$ 36,898,173</b>	<b>\$ 1,565,000</b>	<b>\$ 35,333,173</b>

**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 1 and September 1 of each year. Interest accrues at rates varying from 2.00% to 4.25% per annum. Principal on these bonds is payable in annual installments ranging from \$360,000 to \$385,000 from September 1, 2015 through September 1, 2028. The outstanding balances for the 2013 Subordinate Tax Allocation Bonds (Merged Project Areas) at June 30, 2018 was in the amount of \$3,785,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 385,000	\$ 133,938	\$ 518,938
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
2024-2028	2,105,000	269,319	2,374,319
<b>Total</b>	<b>\$ 3,785,000</b>	<b>\$ 821,244</b>	<b>\$ 4,606,244</b>

**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, 2018 was in the amount of \$8,550,000.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**C. Fiduciary Activities (Continued)**

2014 Subordinate Tax Allocation Bonds (Merged Project Areas) (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 220,000	\$ 337,313	\$ 557,313
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
2024-2028	2,855,000	1,094,138	3,949,138
2029-2033	3,280,000	434,444	3,714,444
2034-2035	905,000	33,078	938,078
Total	<u>\$ 8,550,000</u>	<u>\$ 3,132,973</u>	<u>\$ 11,682,973</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, 2018 were in the amounts of \$13,875,000 and \$8,920,000, respectively.

The future debt service requirement is as follows:

Year ending June 30,	Series A		Series B		Total
	Principal	Interest	Principal	Interest	
2019	\$ 535,000	\$ 596,100	\$ 425,000	\$ 287,697	\$ 1,843,797
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
2024-2028	3,275,000	1,932,375	2,445,000	1,048,950	8,701,325
2029-2033	5,030,000	899,050	2,995,000	544,869	9,468,919
2034-2037	2,415,000	185,025	1,360,000	107,400	4,067,425
Total	<u>\$ 13,875,000</u>	<u>\$ 5,713,850</u>	<u>\$ 8,920,000</u>	<u>\$ 3,053,394</u>	<u>\$ 31,562,244</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**C. Fiduciary Activities (Continued)**

*Pledged Future Revenues*

The City pledged future tax revenues associated with its bond issuances for Series 2013, 2014, 2016A and 2016B. This comprises all of the debt issued in tax allocation debt in this note above. These debt issuances and pledged tax revenues are reported in the fiduciary funds. The pledged tax revenues are to be used solely for the repayment of principal and interest on the bonds until they are paid in full through 2037 and are not available for other purposes during the duration that the bonds are outstanding which are pledged for the respective bonds. The pledged tax revenues totaled \$3,352,054 for the year ended June 30, 2018. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2018 were \$1,535,000 and \$1,394,738, respectively. The total principal and interest remaining is approximately \$47,851,461 with annual payments expected to require 100% of pledged tax revenues.

**Note 7 – Compensated Absences**

For governmental activities and business-type activities, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$552,505 and \$387,230, respectively at June 30, 2018. The City has estimated that for the governmental activities that \$211,601 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 \$245,456 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the liabilities.

**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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 8 – Risk Management (Continued)**

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At June 30, 2018, the amount of these liabilities was \$620,695. 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
2015-2016	\$ 515,635	\$ 33,109	\$ (86,919)	\$ 461,825
2016-2017	461,825	179,926	(38,081)	603,670
2017-2018	603,670	49,947	(32,922)	620,695

**Note 9 – Pension**

The following is a summary of net pension liabilities and the related deferred outflows/inflows of resources at June 30, 2018 and pension expense for the year then ended:

	Governmental Activities	Business-type Activities	Total
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
Miscellaneous	\$ 686,818	\$ 515,642	\$ 1,202,460
Safety	241,940	-	241,940
Changes of assumptions:			
Miscellaneous	924,421	693,963	1,618,384
Safety	639,560	-	639,560
Difference between expected and actual experience:			
Safety	35,310	-	35,310
Difference in projected and actual earnings on pension investments:			
Miscellaneous	226,325	169,903	396,228
Safety	151,036	-	151,036
Adjustment due to differences in proportions:			
Miscellaneous	306,158	229,832	535,990
<b>Total deferred outflows of resources</b>	<b>\$ 3,211,568</b>	<b>\$ 1,609,340</b>	<b>\$ 4,820,908</b>
<b>Aggregate net pension liabilities:</b>			
Aggregate net pension liabilities			
Miscellaneous	6,398,491	4,803,349	\$ 11,201,840
Safety	4,832,679	-	4,832,679
<b>Total net pension liabilities</b>	<b>\$ 11,231,170</b>	<b>\$ 4,803,349</b>	<b>\$ 16,034,519</b>

(Continued)

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Deferred inflows of resources:</b>			
Difference between expected and actual experience:			
Miscellaneous	\$ 107,487	\$ 80,690	\$ 188,177
Adjustment due to differences in proportions:			
Safety	421,416	-	421,416
Difference between City's contributions and proportionated share of contributions:			
Miscellaneous	216,329	162,398	378,727
Safety	252,448	-	252,448
<b>Total deferred inflows of Resources</b>	<b>\$ 997,680</b>	<b>\$ 243,088</b>	<b>\$ 1,240,768</b>
<b>Pension expenses:</b>			
Miscellaneous	\$ 1,086,792	\$ 968,162	\$ 2,054,954
Safety	346,146	-	346,146
<b>Total pension expense</b>	<b>\$ 1,432,938</b>	<b>\$ 968,162</b>	<b>\$ 2,401,100</b>

**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, 2016, the following employees were covered by the benefit terms:

	<b>Miscellaneous</b>	<b>Misc Second Tier</b>	<b>Misc PEPR</b>	<b>Safety</b>
Active employees	53	7	10	-
Transferred and terminated employees	30	1	-	27
Separated	19	1	-	2
Retired Employees and Beneficiaries	95	-	-	76
<b>Total</b>	<b>197</b>	<b>9</b>	<b>10</b>	<b>105</b>

**Benefit Provided**

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPR Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPR 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

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

*Benefit Provided (Continued)*

Following are the benefit provisions for each plan:

	<b>Cost-Sharing Rate Plans</b>			
	Miscellaneous Rate Plan*	Miscellaneous Second Tier Rate Plan*	PEPRA 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

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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

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

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, 2017 (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	12.657%	7.159%	6.555%	0.000%

\* Closed to new entrants

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2016 valuation was rolled forward to determine June 30, 2017 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

Change of Assumption

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (“PERF”). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement F asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1-10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	<u>100.0%</u>		

<sup>1</sup>An expected inflation of 2.5% used for this period

<sup>2</sup>An expected inflation of 3.0% used for this period.



**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

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

*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 7.65%, 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%)
<b>Miscellaneous</b>	\$ 17,462,025	\$ 11,201,840	\$ 6,017,042
<b>Safety</b>	\$ 7,225,496	\$ 4,832,679	\$ 2,876,671

*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.

*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: 6/30/16 (Valuation date)	\$ 37,225,797	\$ 27,541,361	\$ 9,684,436
Balance at: 6/30/17 (Measurement date)	41,985,777	30,783,937	11,201,840
Net Changes during 2016-2017	4,759,980	3,242,576	1,517,404
<b>Safety</b>			
Balance at: 6/30/16 (Valuation date)	\$ 15,478,088	\$ 11,193,786	\$ 4,284,302
Balance at: 6/30/17 (Measurement date)	16,355,504	11,522,825	4,832,679
Net Changes during 2016-2017	877,416	329,039	548,377

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, 2016). 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

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

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

- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2017). 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, 2017 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2016-2017).
- (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.
- (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 contributions during measurement period.

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

	<u>Miscellaneous</u>	<u>Safety</u>
June 30, 2016	0.11192%	0.04951%
June 30, 2017	0.11295%	0.04873%
Change - Increase (Decrease)	<u>0.00103%</u>	<u>-0.00078%</u>

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 2016-2017 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired).

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 9 – Pension (Continued)**

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

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

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 1,202,460	\$ -	\$ 241,940	\$ -
Changes of assumptions	1,618,384	-	639,560	-
Difference between expected and actual experience	-	(188,177)	35,310	-
Difference between projected and actual earning on pension plan investments	396,228	-	151,036	-
Adjustment due to differences in proportions	535,990	-	-	(421,416)
Difference between City contributions and proportionate share of contributions	-	(378,727)	-	(252,448)
Total	<u>\$ 3,753,062</u>	<u>\$ (566,904)</u>	<u>\$ 1,067,846</u>	<u>\$ (673,864)</u>

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 net pension liability in the year ended June 30, 2019. 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
2018	\$ 543,176	\$ (107,276)
2019	1,093,625	181,991
2020	582,142	165,705
2021	(235,245)	(88,378)
2022	-	-
Thereafter	-	-
	<u>\$ 1,983,698</u>	<u>\$ 152,042</u>

**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, 2018 and pension expenses for the year then ended:

	Governmental Activities	Business-type Activities	Total
Net OPEB liability	<u>\$ 2,239,955</u>	<u>\$ 1,458,654</u>	<u>\$ 3,698,609</u>
Deferred inflows of Resources:			
Changes of assumption	<u>\$ 88,099</u>	<u>\$ 57,369</u>	<u>\$ 145,468</u>
OPEB expenses	<u>\$ 259,671</u>	<u>\$ 115,071</u>	<u>\$ 374,742</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**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 2018, 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.

Employees Covered by Benefit Term

Active employees	71
Inactive currently receiving benefit	106
Inactive entitled to but not yet receiving benefit payments	-
Total	<u>177</u>

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, 2018, 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, 2018 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	3.87% at June 30, 2018 (Bond buyer 20-Bond Index)
	3.58% at June 30, 2017 (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	Mortality projected fully generational with Scale MP-17

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**B. Net OPEB Liability (Continued)**

Actuarial Assumptions (Continued)

Actuarial Assumptions (Continued):

Salary increases	Aggregate - 3.00% per annum Merit - Tables from CalPERS 1997-2015 Experience Study
Healthcare cost trend rates	Non-Medicare - 7.5% for 2019, decreasing to ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2019, 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 3.87% and 3.58% at June 30, 2018 and 2017, 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.

**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, 2017	\$ 3,552,297	\$ -	\$ 3,552,297
Changes during the measurement period:			
Normal cost	256,623	-	256,623
Interest	134,880	-	134,880
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	(162,582)	-	(162,582)
Employer contribution	-	82,962	(82,962)
Benefit payments	(82,609)	(82,609)	-
Administrative expenses	\$ -	\$ (353)	353
Net changes during measurement period 2017-2018	146,312	-	146,312
Balances as of June 30, 2018 (Measurement Date)	<u>\$ 3,698,609</u>	<u>\$ -</u>	<u>\$ 3,698,609</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

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

**C. Changes in the Net OPEB Liability (Continued)**

*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 (2.87%) or one percentage point higher (4.87%) follows:

Net OPEB Liability		
Discount Rate - 1% (2.87%)	Current Discount Rate (3.87%)	Discount Rate + 1% (4.87%)
\$ 4,307,692	\$ 3,698,609	\$ 3,210,889

*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:

Net OPEB Liability		
Healthcare		
1% Decrease	Cost Trend Rate	1% Increase
\$ 3,295,339	\$ 3,698,609	\$ 4,267,352

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

For the year ended June 30, 2018, the City recognized an OPEB expense of \$374,742. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Changes of assumptions	\$ -	\$ (145,468)

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

Measurement Period Ending June 30,	Deferred Inflows of Resources
2019	\$ (17,114)
2020	(17,114)
2021	(17,114)
2022	(17,114)
2023	(17,114)
Thereafter	(59,898)
	<u>\$ (145,468)</u>

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**Note 11 – Classification of Fund Balances**

At June 30, 2018, fund balances are classified in the governmental funds as follows:

		Special Revenue Funds		Capital Improvement	Lease Revenue	Nonmajor	
	General Fund	Development Impact	ECD Entitlement Program	Capital Projects Fund	Bonds Debt Service Fund	Governmental Funds	Total
<b>Nonspendable:</b>							
Prepaid items	\$ 1,160,141	\$ -	\$ -	\$ -	\$ 68,311	\$ -	\$ 1,228,452
Advance to other fund	14,501,238	-	-	-	-	-	14,501,238
Total nonspendable	15,661,379	-	-	-	68,311	-	15,729,690
<b>Restricted:</b>							
Capital projects	-	-	-	-	2,204,453	-	2,204,453
Debt Service	-	-	-	-	-	481,311	481,311
Low income housing	1,045	-	-	-	-	5,358,603	5,359,648
Highway and streets	-	-	-	-	-	3,103,947	3,103,947
Community development	-	-	-	-	-	225,321	225,321
Fire protection	-	-	-	-	-	16,208	16,208
Total restricted	1,045	-	-	-	2,204,453	9,185,390	11,390,888
<b>Committed:</b>							
Public facilities - police	25,516	-	-	-	-	-	25,516
Public facilities - general government	32,533	-	-	-	-	-	32,533
Total committed	58,049	-	-	-	-	-	58,049
<b>Assigned:</b>							
Highway and streets	545	-	-	-	-	-	545
<b>Unassigned (deficit)</b>	6,993,820	(11,236,227)	(2,113,568)	-	-	-	(6,355,975)
<b>Total fund balances</b>	<u>\$ 22,714,838</u>	<u>\$ (11,236,227)</u>	<u>\$ (2,113,568)</u>	<u>\$ -</u>	<u>\$ 2,272,764</u>	<u>\$ 9,185,390</u>	<u>\$ 20,823,197</u>

**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, 2018, 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.

**City of Coachella**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2018**

**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, 2018.

	<u>Expenditure</u>	<u>Appropriation</u>	<u>Expenditure in Excess of Appropriation</u>
<b>General Fund:</b>			
General government	\$ 5,766,925	\$ 4,832,178	\$ (934,747)
Community development	1,835,612	1,386,067	(449,545)
Parks and recreation	1,814,259	1,757,754	(56,505)
Capital outlay	30,254	24,551	(5,703)
<b>Development Impact Special Revenue Fund:</b>			
Public works	9,000	-	(9,000)
Capital outlay	2,123,570	-	(2,123,570)
Principal retirement	61,005	-	(61,005)
Interest and fiscal charges	45,306	-	(45,306)
<b>ECD Entitlement Program Special Revenue Fund:</b>			
Public works	40,750	-	(40,750)
<b>Capital Improvement Capital Projects Fund:</b>			
Capital outlay	15,608,385	12,299,494	(3,308,891)
<b>Lease Revenue Bonds Debt Service Fund:</b>			
Interest and fiscal charges	358,582	351,256	(7,326)
<b>Nonmajor Governmental Funds:</b>			
Air Quality Improvement Special Revenue Fund:			
Public works	43,600	25,000	(18,600)
Fire Protection District Special Revenue Fund:			
Public safety	2,988,115	2,930,300	(57,815)
CDBG Program Income Special Revenue Fund:			
Community development	52,749	-	(52,749)
State Gas Tax Special Revenue Fund:			
Public works	29	-	(29)
Capital outlay	1,020,029	-	(1,020,029)
Street Improvement Debt Service Fund:			
Interest and fiscal charges	278,593	245,809	(32,784)

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

Funds with deficit fund balances and net position at June 30, 2018 are as follows:

	<u>Deficit</u>
Development Impact Special Revenue Fund	\$ (11,236,227)
ECD Entitlement Program Special Revenue Fund	(2,113,568)
Successor Agency Private-Purpose Trust Fund	(32,732,841)

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, 2018**

**Note 14 – Restatement of Beginning Net Position**

Net position as of July 1, 2017 was restated as follows:

	Governmental Activities	Business-type Activities	Enterprise Funds	
			Water Authority	Sanitary District
Beginning net position, as previously reported	\$ 178,071,615	\$ 38,545,824	\$ 24,181,806	\$ 14,364,018
(1) Deferred outflows of resources related to pension	702,322	197,822	85,026	112,796
(1) Net pension liabilities	(1,498,270)	1,498,270	808,566	689,704
(1) Deferred inflows of resources related to pension	(732,989)	(152,925)	(75,058)	(77,867)
(2) Net OPEB obligation	1,206,174	791,133	398,862	392,271
(2) Net other postemployment benefits liability	(2,151,345)	(1,400,952)	(715,091)	(685,861)
(3) Unearned grant revenue	(593,046)	-	-	-
Beginning net position, as restated	<u>\$ 175,004,461</u>	<u>\$ 39,479,172</u>	<u>\$ 24,684,111</u>	<u>\$ 14,795,061</u>

- (1) Beginning net position was restated (a) to reclassify net pension liabilities due to changes in allocation between governmental activities and business-type activities, (b) to separately report pension related deferred outflows of resources from deferred inflows of resources, and (c) to correct prior year adjustment due to change in proportion and proportionate share of contribution in excess of employer contribution.
- (2) Beginning net position was restated due to implementation of Government Accounting Standards Board Statement No.75.
- (3) Beginning net position was restated to report unearned revenues for grant funding received in advance prior to meeting the eligibility requirements.

Fund balance at July 1, 2017 was restated from \$5,282,186 to \$10,108,722 to report special revenue funds' loans receivable balances as part of the restricted fund balances instead of unavailable revenue in accordance with Government Accounting Standards Board Statement No. 54 and 65.

**Note 15 – Subsequent Event**

In August 2018, the Community Facilities District No. 2018-1 of the City of Coachella (Glenroy) (the "District") issued \$5,745,000 Community Facilities District No. 2018-1 of the City of Coachella (Glenroy) Special Tax Bonds, Series 2018 (the "Bonds") 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 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 for the Bonds. The bonds bear interests at rates of 2.84% to 4.34% annum payable semi-annually on March 1 and September 1. The final principal payment is due on September 1, 2053.



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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, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Taxes	\$ 16,360,992	\$ 16,360,992	\$ 17,093,655	\$ 732,663
Licenses, permits and fees	305,917	305,917	271,365	(34,552)
Charges for services	543,271	543,271	1,267,423	724,152
Fines, forfeitures and penalties	415,000	415,000	527,480	112,480
Intergovernmental	705,907	705,907	690,970	(14,937)
Special assessments	920,000	920,000	1,035,609	115,609
Investment income (loss)	60,000	60,000	150,066	90,066
Other revenue	431,000	431,000	738,470	307,470
<b>Total revenues</b>	<b>19,742,087</b>	<b>19,742,087</b>	<b>21,775,038</b>	<b>2,032,951</b>
<b>EXPENDITURES:</b>				
Current:				
General government	4,832,178	4,832,178	5,766,925	(934,747)
Community development	1,214,428	1,214,428	1,399,217	(184,789)
Community development - building	171,639	171,639	436,395	(264,756)
Public safety - police	8,741,770	8,741,770	8,512,576	229,194
Public safety - animal control	316,000	316,000	255,029	60,971
Public works - engineering	706,913	706,913	735,513	(28,600)
Public works	1,464,919	1,464,919	1,398,552	66,367
Parks and recreation	1,757,754	1,757,754	1,814,259	(56,505)
Capital outlay	24,551	24,551	30,254	(5,703)
<b>Total expenditures</b>	<b>19,230,152</b>	<b>19,230,152</b>	<b>20,348,720</b>	<b>(1,118,568)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>511,935</b>	<b>511,935</b>	<b>1,426,318</b>	<b>914,383</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,102,979	3,102,979	12,921,719	9,818,740
Transfers out	(2,827,030)	(2,827,030)	(2,670,573)	156,457
<b>Total other financing sources (uses)</b>	<b>275,949</b>	<b>275,949</b>	<b>10,251,146</b>	<b>9,975,197</b>
<b>Net change in fund balances</b>	<b>\$ 787,884</b>	<b>\$ 787,884</b>	<b>11,677,464</b>	<b>\$ 10,889,580</b>
<b>FUND BALANCE:</b>				
Beginning of year			11,037,373	
End of year			<u>\$ 22,714,837</u>	

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule (Continued)**  
**Development Impact Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Developer fees	\$ 2,708,471	\$ 2,708,471	\$ 1,330,260	\$ (1,378,211)
Investment income (loss)	75,667	75,667	(5,470)	(81,137)
<b>Total revenues</b>	<u>2,784,138</u>	<u>2,784,138</u>	<u>1,324,790</u>	<u>(1,459,348)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	9,000	(9,000)
Capital outlays	-	-	2,123,570	(2,123,570)
Debt service:				
Principal retirement	-	-	61,005	(61,005)
Interest and fiscal charges	-	-	163,326	(163,326)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>2,356,901</u>	<u>(2,356,901)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,784,138</u>	<u>2,784,138</u>	<u>(1,032,111)</u>	<u>(3,816,249)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(182,465)	(182,465)	(9,844,034)	(9,661,569)
<b>Total other financing sources</b>	<u>(182,465)</u>	<u>(182,465)</u>	<u>(9,844,034)</u>	<u>(9,661,569)</u>
<b>Net change in fund balances</b>	<u>\$ 2,601,673</u>	<u>\$ 2,601,673</u>	<u>(10,876,145)</u>	<u>\$ (13,477,818)</u>
<b>FUND BALANCE:</b>				
Beginning of year			(360,082)	
End of year			<u>\$ (11,236,227)</u>	

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule (Continued)**  
**ECD Entitlement Program Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 975,028	\$ 975,028	\$ 2,077,611	\$ 1,102,583
<b>Total revenues</b>	<u>975,028</u>	<u>975,028</u>	<u>2,077,611</u>	<u>1,102,583</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	40,750	(40,750)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>40,750</u>	<u>(40,750)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>975,028</u>	<u>975,028</u>	<u>2,036,861</u>	<u>1,061,833</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(975,028)	(975,028)	(4,162,635)	(3,187,607)
<b>Total other financing uses</b>	<u>(975,028)</u>	<u>(975,028)</u>	<u>(4,162,635)</u>	<u>(3,187,607)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,125,774)</u>	<u>\$ (2,125,774)</u>
<b>FUND BALANCE:</b>				
Beginning of year			12,206	
End of year			<u>\$ (2,113,568)</u>	

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2018**

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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, 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, debt service funds, and capital projects funds, except for CalHOME Program Income Special Revenue Fund, Home Admin Program Income Special Revenue Fund, HOME Program Income Special Revenue Fund and SB 1 Special Revenue Fund.

The Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual for Capital Improvement Capital Projects Fund is presented in the Supplementary Information.

The Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual for Lease Revenue Bonds Debt Service Fund is 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, 2018**

**Last Ten Fiscal Years**

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

Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014 <sup>1</sup>
City's Proportion of the Net Pension Liability	0.11295%	0.11192%	0.10333%	0.11070%
City's Proportionate Share of the Net Pension Liability	\$ 11,201,840	\$ 9,684,436	\$ 7,092,438	\$ 6,717,707
City's Covered Payroll	\$ 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>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>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, 2017	June 30, 2016	June 30, 2015	June 30, 2014 <sup>1</sup>
City's Proportion of the Net Pension Liability	0.04873%	0.04951%	0.05250%	0.05262%
City's Proportionate Share of the Net Pension Liability	\$ 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>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<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 the Contributions - Pension**  
**For the Year Ended June 30, 2018**

**Last Ten Fiscal Years**

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

Fiscal year end	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially Determined Contribution	\$ 611,480	\$ 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)	<u>\$ (590,980)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll <sup>2</sup>	<u>\$ 5,574,361</u>	<u>\$ 5,412,001</u>	<u>\$ 5,475,348</u>	<u>\$ 5,166,649</u>	<u>\$ 5,043,461</u>
Contributions as a Percentage of Covered Payroll	<u>21.57%</u>	<u>12.62%</u>	<u>11.47%</u>	<u>11.79%</u>	<u>16.90%</u>

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

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

<sup>2</sup> Includes one year's payroll growth using 3.00 percent payroll assumption from fiscal year 2016-17.

**Notes to Schedule:**

Changes of Assumptions: 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, 2018**

Last Ten Fiscal Years

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

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

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 75 is applicable.

**City of Coachella**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Other Postemployment Benefits**  
**For the Years Ended June 30, 2018**

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**Last Ten Fiscal Years**

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

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

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 75 is applicable.

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

## **SUPPLEMENTARY INFORMATION**



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**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, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Other revenue	\$ -	\$ -	\$ 1,170,029	\$ 1,170,029
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1,170,029</u>	<u>1,170,029</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>12,299,494</u>	<u>12,299,494</u>	<u>15,608,385</u>	<u>(3,308,891)</u>
<b>Total expenditures</b>	<u>12,299,494</u>	<u>12,299,494</u>	<u>15,608,385</u>	<u>(3,308,891)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(12,299,494)</u>	<u>(12,299,494)</u>	<u>(14,438,356)</u>	<u>(2,138,862)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>4,043,071</u>	<u>4,043,071</u>	<u>14,438,356</u>	<u>10,395,285</u>
<b>Total other financing sources</b>	<u>4,043,071</u>	<u>4,043,071</u>	<u>14,438,356</u>	<u>10,395,285</u>
<b>Net change in fund balances</b>	<u>\$ (8,256,423)</u>	<u>\$ (8,256,423)</u>	<u>-</u>	<u>\$ 8,256,423</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Budget and Actual - Lease Revenue Bonds Debt Service Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 85,456	\$ 85,456
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>85,456</u>	<u>85,456</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	260,000	262,750	260,000	2,750
Interest and fiscal charges	<u>351,256</u>	<u>351,256</u>	<u>358,582</u>	<u>(7,326)</u>
<b>Total expenditures</b>	<u>611,256</u>	<u>614,006</u>	<u>618,582</u>	<u>(4,576)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(611,256)</u>	<u>(614,006)</u>	<u>(533,126)</u>	<u>80,880</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	611,822	611,822	615,977	4,155
Transfers out	<u>(9,300,000)</u>	<u>(9,300,000)</u>	<u>(9,905,108)</u>	<u>(605,108)</u>
<b>Total other financing sources</b>	<u>(8,688,178)</u>	<u>(8,688,178)</u>	<u>(9,289,131)</u>	<u>(600,953)</u>
<b>Net change in fund balances</b>	<u><u>\$ (9,299,434)</u></u>	<u><u>\$ (9,302,184)</u></u>	<u>(9,822,257)</u>	<u><u>\$ (520,073)</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>12,095,021</u>	
End of year			<u><u>\$ 2,272,764</u></u>	



**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 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, 2018**

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape & Lighting District	Fire Protection District	CalHOME Program Income
<b>ASSETS</b>					
Cash and investments	\$ 7,571	\$ 1,423,600	\$ 1,244,396	\$ 423,069	\$ 200,219
Receivables:					
Accounts receivable	-	20,304	-	-	-
Due from other governments	14,996	143,503	17,123	23,924	-
Loans receivable	-	-	-	-	478,805
Due from other funds	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agent	-	-	-	158,788	-
<b>Total assets</b>	<b>\$ 22,567</b>	<b>\$ 1,587,407</b>	<b>\$ 1,261,519</b>	<b>\$ 605,781</b>	<b>\$ 679,024</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 12,801	\$ 126,051	\$ 589,573	\$ -
Accrued wages payable	-	-	4,078	-	-
Due to other governments	11,247	100,820	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>11,247</b>	<b>113,621</b>	<b>130,129</b>	<b>589,573</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	-	-	-	-
<b>Fund Balances:</b>					
Restricted for:					
Low income housing	-	-	-	-	679,024
Highways and streets	11,320	1,473,786	1,131,390	-	-
Community development	-	-	-	-	-
Fire	-	-	-	16,208	-
Debt Service	-	-	-	-	-
<b>Total Fund Balances</b>	<b>11,320</b>	<b>1,473,786</b>	<b>1,131,390</b>	<b>16,208</b>	<b>679,024</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 22,567</b>	<b>\$ 1,587,407</b>	<b>\$ 1,261,519</b>	<b>\$ 605,781</b>	<b>\$ 679,024</b>

**City of Coachella**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	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	\$ 161,690	\$ 225,321	\$ 592,767	\$ 2,054,198	\$ 528,471
Receivables:					
Accounts receivable	-	-	-	-	-
Due from other governments	249,400	-	-	39,610	-
Loans receivable	491,211	-	-	-	3,702,199
Due from other funds	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 902,301</b>	<b>\$ 225,321</b>	<b>\$ 592,767</b>	<b>\$ 2,093,808</b>	<b>\$ 4,230,670</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	805	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	203,187	-	-	1,718,115	-
Unearned revenue	-	-	592,767	-	-
<b>Total liabilities</b>	<b>203,992</b>	<b>-</b>	<b>592,767</b>	<b>1,718,115</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	249,400	-	-	-	-
<b>Fund Balances:</b>					
Restricted for:					
Low income housing	448,909	-	-	-	4,230,670
Highways and streets	-	-	-	375,693	-
Community development	-	225,321	-	-	-
Fire	-	-	-	-	-
Debt Service	-	-	-	-	-
<b>Total Fund Balances</b>	<b>448,909</b>	<b>225,321</b>	<b>-</b>	<b>375,693</b>	<b>4,230,670</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 902,301</b>	<b>\$ 225,321</b>	<b>\$ 592,767</b>	<b>\$ 2,093,808</b>	<b>\$ 4,230,670</b>

**City of Coachella**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	SB 1	Street Improvement	
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 6,861,302
Receivables:			
Accounts receivable	-	-	20,304
Due from other governments	-	-	488,556
Loans receivable	-	-	4,672,215
Due from other funds	261,758	-	261,758
Restricted assets:			
Cash and investments with fiscal agent	-	481,311	640,099
<b>Total assets</b>	<u>\$ 261,758</u>	<u>\$ 481,311</u>	<u>\$ 12,944,234</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 728,425
Accrued wages payable	-	-	4,883
Due to other governments	-	-	112,067
Due to other funds	150,000	-	2,071,302
Unearned revenue	-	-	592,767
<b>Total liabilities</b>	<u>150,000</u>	<u>-</u>	<u>3,509,444</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	<u>-</u>	<u>-</u>	<u>249,400</u>
<b>Fund Balances:</b>			
Restricted for:			
Low income housing	-	-	5,358,603
Highways and streets	111,758	-	3,103,947
Community development	-	-	225,321
Fire	-	-	16,208
Debt Service	-	481,311	481,311
<b>Total Fund Balances</b>	<u>111,758</u>	<u>481,311</u>	<u>9,185,390</u>
<b>Total Liabilities, Deferred Inflows of     Resources and Fund Balances</b>	<u><u>\$ 261,758</u></u>	<u><u>\$ 481,311</u></u>	<u><u>\$ 12,944,234</u></u>

**City of Coachella**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape & Lighting District	Fire Protection District	CalHOME Program Income
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 778,135	\$ -
License and permits	-	-	-	50	-
Charges for services	-	-	-	105,203	-
Intergovernmental	88,133	632,653	-	-	-
Special assessments	-	-	1,973,538	634,728	-
Investment income (loss)	(29)	(814)	611	1,689	(94)
Other revenue	-	-	2,550	18,932	-
<b>Total revenues</b>	<b>88,104</b>	<b>631,839</b>	<b>1,976,699</b>	<b>1,538,737</b>	<b>(94)</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	2,988,115	-
Community development	-	-	-	-	-
Public works	43,600	-	1,478,673	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>43,600</b>	<b>-</b>	<b>1,478,673</b>	<b>2,988,115</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>44,504</b>	<b>631,839</b>	<b>498,026</b>	<b>(1,449,378)</b>	<b>(94)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	1,560,802	-
Transfers out	-	(421,744)	(306,817)	(110,620)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(421,744)</b>	<b>(306,817)</b>	<b>1,450,182</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>44,504</b>	<b>210,095</b>	<b>191,209</b>	<b>804</b>	<b>(94)</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated (Note 14)	(33,184)	1,263,691	940,181	15,404	679,118
End of year	\$ 11,320	\$ 1,473,786	\$ 1,131,390	\$ 16,208	\$ 679,024

**City of Coachella**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	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	189,870	2,494	-	911,385	-
Special assessments	-	-	-	-	-
Investment income (loss)	(100)	(117)	-	-	(349)
Other revenue	-	13,951	-	-	111
<b>Total revenues</b>	<u>189,770</u>	<u>16,328</u>	<u>-</u>	<u>911,385</u>	<u>(238)</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	871	-	-	-
Fire	-	-	-	-	-
Community development	52,749	-	-	-	-
Public works	-	-	-	29	-
Capital outlay	-	-	-	1,020,029	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>52,749</u>	<u>871</u>	<u>-</u>	<u>1,020,058</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>137,021</u>	<u>15,457</u>	<u>-</u>	<u>(108,673)</u>	<u>(238)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(376,530)	-	-	(1,160,107)	-
<b>Total other financing sources (uses)</b>	<u>(376,530)</u>	<u>-</u>	<u>-</u>	<u>(1,160,107)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(239,509)</u>	<u>15,457</u>	<u>-</u>	<u>(1,268,780)</u>	<u>(238)</u>
<b>FUND BALANCES:</b>					
Beginning of year, as restated (Note 14)	688,418	209,864	-	1,644,473	4,230,908
End of year	<u>\$ 448,909</u>	<u>\$ 225,321</u>	<u>\$ -</u>	<u>\$ 375,693</u>	<u>\$ 4,230,670</u>



**City of Coachella**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	SB 1	Street Improvement	
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 778,135
License and permits	-	-	50
Charges for services	-	-	105,203
Intergovernmental	261,758	-	2,086,293
Special assessments	-	-	2,608,266
Investment income (loss)	-	21,262	22,059
Other revenue	-	-	35,544
<b>Total revenues</b>	<u>261,758</u>	<u>21,262</u>	<u>5,635,550</u>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	871
Fire	-	-	2,988,115
Community development	-	-	52,749
Public works	150,000	-	1,672,302
Capital outlay	-	-	1,020,029
Debt service:			
Principal retirement	-	175,000	175,000
Interest and fiscal charges	-	278,593	278,593
<b>Total expenditures</b>	<u>150,000</u>	<u>453,593</u>	<u>6,187,659</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>111,758</u>	<u>(432,331)</u>	<u>(552,109)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	443,793	2,004,595
Transfers out	-	-	(2,375,818)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>443,793</u>	<u>(371,223)</u>
<b>Net change in fund balances</b>	111,758	11,462	(923,332)
<b>FUND BALANCES:</b>			
Beginning of year, as restated (Note 14)	-	469,849	10,108,722
End of year	<u>\$ 111,758</u>	<u>\$ 481,311</u>	<u>\$ 9,185,390</u>

**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, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 54,000	\$ 54,000	\$ 88,133	\$ 34,133
Investment loss	-	-	(29)	(29)
<b>Total revenues</b>	<u>54,000</u>	<u>54,000</u>	<u>88,104</u>	<u>34,104</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>25,000</u>	<u>25,000</u>	<u>43,600</u>	<u>(18,600)</u>
<b>Total expenditures</b>	<u>25,000</u>	<u>25,000</u>	<u>43,600</u>	<u>(18,600)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>29,000</u>	<u>29,000</u>	<u>44,504</u>	<u>15,504</u>
<b>Net change in fund balances</b>	<u>\$ 29,000</u>	<u>\$ 29,000</u>	<u>44,504</u>	<u>\$ 15,504</u>
<b>FUND BALANCE:</b>				
Beginning of year			(33,184)	
End of year			<u>\$ 11,320</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Local Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2018**

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 627,000	\$ 627,000	\$ 632,653	\$ 5,653
Investment income (loss)	1,000	1,000	(814)	(1,814)
<b>Total revenues</b>	<u>628,000</u>	<u>628,000</u>	<u>631,839</u>	<u>3,839</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(1,302,000)</u>	<u>(1,302,000)</u>	<u>(421,744)</u>	<u>880,256</u>
<b>Total other financing uses</b>	<u>(1,302,000)</u>	<u>(1,302,000)</u>	<u>(421,744)</u>	<u>880,256</u>
<b>Net change in fund balances</b>	<u>\$ (674,000)</u>	<u>\$ (674,000)</u>	<u>210,095</u>	<u>\$ 884,095</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,263,691</u>	
End of year			<u>\$ 1,473,786</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Landscape and Lighting District Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 1,816,592	\$ 1,816,592	\$ 1,973,538	\$ 156,946
Investment income	119,602	119,602	611	(118,991)
Other revenue	-	-	2,550	2,550
<b>Total revenues</b>	<u>1,936,194</u>	<u>1,936,194</u>	<u>1,976,699</u>	<u>40,505</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>1,729,262</u>	<u>1,729,262</u>	<u>1,478,673</u>	<u>250,589</u>
<b>Total expenditures</b>	<u>1,729,262</u>	<u>1,729,262</u>	<u>1,478,673</u>	<u>250,589</u>
<b>Excess of revenues over expenditures</b>	<u>206,932</u>	<u>206,932</u>	<u>498,026</u>	<u>291,094</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(268,876)</u>	<u>(268,876)</u>	<u>(306,817)</u>	<u>(37,941)</u>
<b>Total other financing uses</b>	<u>(268,876)</u>	<u>(268,876)</u>	<u>(306,817)</u>	<u>(37,941)</u>
<b>Net change in fund balances</b>	<u>\$ (61,944)</u>	<u>\$ (61,944)</u>	<u>191,209</u>	<u>\$ 253,153</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>940,181</u>	
End of year			<u>\$ 1,131,390</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Protection District Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 695,500	\$ 695,500	\$ 778,135	\$ 82,635
License and permits	-	-	50	50
Charges for services	40,000	40,000	105,203	65,203
Special assessments	531,000	531,000	634,728	103,728
Investment income	-	-	1,689	1,689
Other revenue	-	-	18,932	18,932
<b>Total revenues</b>	<u>1,266,500</u>	<u>1,266,500</u>	<u>1,538,737</u>	<u>272,237</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	2,930,300	2,930,300	2,988,115	(57,815)
<b>Total expenditures</b>	<u>2,930,300</u>	<u>2,930,300</u>	<u>2,988,115</u>	<u>(57,815)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,663,800)</u>	<u>(1,663,800)</u>	<u>(1,449,378)</u>	<u>214,422</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,799,265	1,799,265	1,560,802	(238,463)
Transfers out	(110,465)	(110,465)	(110,620)	(155)
<b>Total other financing sources (uses)</b>	<u>1,688,800</u>	<u>1,688,800</u>	<u>1,450,182</u>	<u>(238,618)</u>
<b>Net change in fund balances</b>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	804	<u>\$ (24,196)</u>
<b>FUND BALANCE:</b>				
Beginning of year			15,404	
End of year			<u>\$ 16,208</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - CDBG Program Income Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 344,662	\$ 344,662	\$ 189,870	\$ (154,792)
Investment loss	-	-	(100)	(100)
<b>Total revenues</b>	<u>344,662</u>	<u>344,662</u>	<u>189,770</u>	<u>(154,892)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	52,749	(52,749)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>52,749</u>	<u>(52,749)</u>
<b>Excess of revenues over expenditures</b>	<u>344,662</u>	<u>344,662</u>	<u>137,021</u>	<u>(207,641)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(344,662)	(344,662)	(376,530)	(31,868)
<b>Total other financing uses</b>	<u>(344,662)</u>	<u>(344,662)</u>	<u>(376,530)</u>	<u>(31,868)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(239,509)</u>	<u>\$ (239,509)</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 14)			688,418	
End of year			<u>\$ 448,909</u>	

**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Indian Gaming Grants SB 621 Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<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	<u>(590,000)</u>	<u>(590,000)</u>	<u>-</u>	<u>590,000</u>
<b>Total other financing uses</b>	<u>(590,000)</u>	<u>(590,000)</u>	<u>-</u>	<u>590,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</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 - State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 1,270,000	\$ 1,270,000	\$ 911,385	\$ (358,615)
<b>Total revenues</b>	<u>1,270,000</u>	<u>1,270,000</u>	<u>911,385</u>	<u>(358,615)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	29	(29)
Capital outlay	-	-	1,020,029	(1,020,029)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>1,020,058</u>	<u>(1,020,058)</u>
<b>Deficiency of revenues over expenditures</b>	<u>1,270,000</u>	<u>1,270,000</u>	<u>(108,673)</u>	<u>(1,378,673)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(1,350,000)	(1,350,000)	(1,160,107)	189,893
<b>Total other financing uses</b>	<u>(1,350,000)</u>	<u>(1,350,000)</u>	<u>(1,160,107)</u>	<u>189,893</u>
<b>Net change in fund balances</b>	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	<u>(1,268,780)</u>	<u>\$ (1,188,780)</u>
<b>FUND BALANCE:</b>				
Beginning of year			1,644,473	
End of year			<u>\$ 375,693</u>	



**City of Coachella**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Street Improvement Debt Service Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 21,262	\$ 21,262
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>21,262</u>	<u>21,262</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	175,000	175,000	175,000	-
Interest and fiscal charges	<u>245,809</u>	<u>245,809</u>	<u>278,593</u>	<u>(32,784)</u>
<b>Total expenditures</b>	<u>420,809</u>	<u>420,809</u>	<u>453,593</u>	<u>(32,784)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(420,809)</u>	<u>(420,809)</u>	<u>(432,331)</u>	<u>(11,522)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	443,793	443,793
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>443,793</u>	<u>443,793</u>
<b>Net change in fund balances</b>	<u>\$ (420,809)</u>	<u>\$ (420,809)</u>	<u>11,462</u>	<u>\$ 432,271</u>
<b>FUND BALANCE:</b>				
Beginning of year			469,849	
End of year			<u>\$ 481,311</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.

**City of Coachella**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2018**

---

	JPA Waste Transfer	General Deposits	Flood Control Capital Facilities	Employee Flex Plan Deposits
<b>ASSETS</b>				
Cash and investments	\$ 345,917	\$ 281,070	\$ 2,173,539	\$ 2,746
Accounts receivable	-	498,284	-	-
<b>Total Assets</b>	<u><u>\$ 345,917</u></u>	<u><u>\$ 779,354</u></u>	<u><u>\$ 2,173,539</u></u>	<u><u>\$ 2,746</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Pass-through payable	345,917	-	2,173,539	-
Claims payable	-	-	-	2,746
Due to refuse service provider	-	-	-	-
Deposits payable	-	779,354	-	-
<b>Total liabilities</b>	<u><u>\$ 345,917</u></u>	<u><u>\$ 779,354</u></u>	<u><u>\$ 2,173,539</u></u>	<u><u>\$ 2,746</u></u>

(Continued)

**City of Coachella**  
**Combining Statement of Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**June 30, 2018**

	Refuse	Coachella Parks and Recreation Foundation	Total Agency Funds
<b>ASSETS</b>			
Cash and investments	\$ 30,440	\$ 2,150	\$ 2,835,862
Accounts receivable	40,656	-	538,940
<b>Total Assets</b>	<b>\$ 71,096</b>	<b>\$ 2,150</b>	<b>\$ 3,374,802</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 75	75
Pass-through payable	-	2,075	2,521,531
Claims payable	-	-	2,746
Due to refuse service provider	66,128	-	66,128
Deposits payable	4,968	-	784,322
<b>Total liabilities</b>	<b>\$ 71,096</b>	<b>\$ 2,150</b>	<b>\$ 3,374,802</b>

(Concluded)

**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2018**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>JPA Waste Transfer Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 638,253	\$ 863,393	\$ (1,155,729)	\$ 345,917
Accounts receivable	44,711	-	(44,711)	-
Total Assets	<u>\$ 682,964</u>	<u>\$ 863,393</u>	<u>\$ (1,200,440)</u>	<u>\$ 345,917</u>
<b>LIABILITIES</b>				
Pass-through payable	\$ 682,964	\$ 863,393	\$ (1,200,440)	\$ 345,917
Total Liabilities	<u>\$ 682,964</u>	<u>\$ 863,393</u>	<u>\$ (1,200,440)</u>	<u>\$ 345,917</u>
<b><u>General Deposits Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 592,512	\$ 276,362	\$ (587,804)	\$ 281,070
Accounts receivable	102,267	553,054	(157,037)	498,284
Total Assets	<u>\$ 694,779</u>	<u>\$ 829,416</u>	<u>\$ (744,841)</u>	<u>\$ 779,354</u>
<b>LIABILITIES</b>				
Claims payable				
Deposits payable	\$ 694,779	\$ 829,416	\$ (744,841)	\$ 779,354
Total Liabilities	<u>\$ 694,779</u>	<u>\$ 829,416</u>	<u>\$ (744,841)</u>	<u>\$ 779,354</u>
<b><u>Flood Control Capital Facilities Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,174,561	\$ 9,706	\$ (10,728)	\$ 2,173,539
Total Assets	<u>\$ 2,174,561</u>	<u>\$ 9,706</u>	<u>\$ (10,728)</u>	<u>\$ 2,173,539</u>
<b>LIABILITIES</b>				
Pass-through payable	\$ 2,174,561	\$ 9,706	\$ (10,728)	\$ 2,173,539
Total Liabilities	<u>\$ 2,174,561</u>	<u>\$ 9,706</u>	<u>\$ (10,728)</u>	<u>\$ 2,173,539</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>\$ -</u>	<u>\$ 2,746</u>
<b>LIABILITIES</b>				
Claims payable	\$ 2,746	\$ -	\$ -	\$ 2,746
Total Liabilities	<u>\$ 2,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,746</u>

(Continued)



**City of Coachella**  
**Statement of Changes in Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**For the Year Ended June 30, 2018**

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Refuse Fund</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 344	\$ 2,012,487	\$ (1,982,391)	\$ 30,440
Accounts receivable	33,402	41,398	(34,144)	40,656
Total Assets	<u>\$ 33,746</u>	<u>\$ 2,053,885</u>	<u>\$ (2,016,535)</u>	<u>\$ 71,096</u>
<b>LIABILITIES</b>				
Due to refuse service provider	\$ 29,696	\$ 2,048,917	\$ (2,012,485)	\$ 66,128
Deposits payable	4,050	4,968	(4,050)	4,968
Total Liabilities	<u>\$ 33,746</u>	<u>\$ 2,053,885</u>	<u>\$ (2,016,535)</u>	<u>\$ 71,096</u>
<b><u>Coachella Parks and Recreation Foundation</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 2,500	\$ (350)	\$ 2,150
Total Assets	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ (350)</u>	<u>\$ 2,150</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 425	\$ (350)	\$ 75
Pass-through payable	-	2,075	-	2,075
Total Liabilities	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ (350)</u>	<u>\$ 2,150</u>
<b><u>Total Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,408,416	\$ 3,164,448	\$ (3,737,002)	\$ 2,835,862
Accounts receivable	180,380	594,452	(235,892)	538,940
Total Assets	<u>\$ 3,588,796</u>	<u>\$ 3,758,900</u>	<u>\$ (3,972,894)</u>	<u>\$ 3,374,802</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 425	\$ (350)	\$ 75
Pass-through payable	2,857,525	875,174	(1,211,168)	2,521,531
Claims payable	2,746	-	-	2,746
Due to refuse service provider	29,696	2,048,917	(2,012,485)	66,128
Deposits payable	698,829	834,384	(748,891)	784,322
Total Liabilities	<u>\$ 3,588,796</u>	<u>\$ 3,758,900</u>	<u>\$ (3,972,894)</u>	<u>\$ 3,374,802</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.	132 - 141
<b>Revenue Capacity</b> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	142 - 151
<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.	152 - 158
<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.	159 - 160
<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.	161 - 165

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

	Fiscal Years				
	2009	2010	2011	2012	2013
Governmental activities:					
Net investment in					
capital assets	\$ 95,466,787	\$ 102,162,696	\$ 101,147,347	\$ 111,247,097	\$ 120,525,667
Restricted	17,108,772	19,069,214	26,096,284	23,302,650	15,984,734
Unrestricted	(15,594,569)	(18,766,599)	(25,655,766)	903,304	3,821,526
Total governmental net assets	<u>\$ 96,980,990</u>	<u>\$ 102,465,311</u>	<u>\$ 101,587,865</u>	<u>\$ 135,453,051</u>	<u>\$ 140,331,927</u>
Business-type activities:					
Net investment in					
capital assets	\$ 36,511,480	\$ 30,565,733	\$ 28,937,151	\$ 31,140,385	\$ 30,060,637
Restricted	9,571,551	9,383,173	12,386,534	10,544,314	11,808,295
Unrestricted	(3,415,652)	1,782,324	330,584	680,001	1,550,566
Total business-type net assets	<u>\$ 42,667,379</u>	<u>\$ 41,731,230</u>	<u>\$ 41,654,269</u>	<u>\$ 42,364,700</u>	<u>\$ 43,419,498</u>
Primary government:					
Net investment in capital assets	\$ 131,978,267	\$ 132,728,429	\$ 130,084,498	\$ 142,387,482	\$ 150,586,304
Restricted	26,680,323	28,452,387	38,482,818	33,846,964	27,793,029
Unrestricted	(19,010,221)	(16,984,275)	(25,325,182)	1,583,305	5,372,092
Total primary gov't net position	<u>\$ 139,648,369</u>	<u>\$ 144,196,541</u>	<u>\$ 143,242,134</u>	<u>\$ 177,817,751</u>	<u>\$ 183,751,425</u>

Source: City of Coachella

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

	Fiscal Years				
	2014	2015	2016	2017 <sup>(1)</sup>	2018
Governmental activities:					
Net investment in					
capital assets	\$ 132,329,974	\$ 145,593,234	\$ 157,898,999	\$ 166,082,543	\$ 169,053,563
Restricted	5,035,089	4,053,609	4,053,609	3,795,395	9,447,922
Unrestricted	17,339,942	10,703,722	13,006,316	5,126,523	(1,023,578)
Total governmental net assets	<u>\$ 154,705,005</u>	<u>\$ 160,350,565</u>	<u>\$ 174,958,924</u>	<u>\$ 175,004,461</u>	<u>\$ 177,477,907</u>
Business-type activities:					
Net investment in					
capital assets	\$ 29,190,240	\$ 29,253,731	\$ 29,332,671	\$ 29,366,927	\$ 29,018,484
Restricted	11,781,174	12,022,868	11,783,670	11,854,918	13,395,402
Unrestricted	2,427,129	(1,800,780)	(2,613,339)	(1,742,673)	(1,498,515)
Total business-type net assets	<u>\$ 43,398,543</u>	<u>\$ 39,475,819</u>	<u>\$ 38,503,002</u>	<u>\$ 39,479,172</u>	<u>\$ 40,915,371</u>
Primary government:					
Net investment in capital assets	\$ 161,520,214	\$ 174,846,965	\$ 187,231,670	\$ 195,449,470	\$ 198,072,047
Restricted	16,816,263	16,076,477	15,837,279	15,650,313	22,843,324
Unrestricted	19,767,071	8,902,942	10,392,977	3,383,850	(2,522,093)
Total primary gov't net position	<u>\$ 198,103,548</u>	<u>\$ 199,826,384</u>	<u>\$ 213,461,926</u>	<u>\$ 214,483,633</u>	<u>\$ 218,393,278</u>

<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				
	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
General government	\$ 7,741,542	\$ 5,705,993	\$ 4,605,459	\$ 6,111,900	\$ 4,998,607
Public safety	10,305,504	8,875,765	9,935,026	10,307,033	11,303,766
Community development	-	-	-	-	-
Public works	9,966,066	11,861,550	11,699,266	3,973,174	6,965,830
Parks and recreation	1,134,980	1,006,144	1,334,218	1,434,101	1,854,340
Interest on long-term debt	3,048,677	2,925,495	2,878,831	875,283	302,426
Total governmental activities	32,196,769	30,374,947	30,452,800	22,701,491	25,424,969
Business-type activities					
Water	5,389,095	4,832,937	5,178,132	5,296,709	5,820,913
Sanitary	6,619,280	4,787,092	5,104,398	4,592,115	5,450,091
Total business-type activities	12,008,375	9,620,029	10,282,530	9,888,824	11,271,004
Total primary government expenses	44,205,144	39,994,976	40,735,330	32,590,315	36,695,973
Program Revenues					
Governmental activities:					
Charges for services:					
General government	2,609,702	1,114,356	1,229,829	1,042,436	1,095,362
Public safety	133,255	166,085	57,173	39,690	83,181
Community development	-	-	-	-	-
Public works	159,351	779,045	437,508	240,491	2,669,927
Parks and recreation	-	-	-	-	18,803
Operating grants and contributions	3,480,245	5,200,469	3,860,007	3,206,084	5,547,193
Capital grants and contributions	13,414,321	6,020,309	4,440,478	2,542,580	5,320,294
Total governmental activities program revenue	19,796,874	13,280,264	10,024,995	7,071,281	14,734,760
Business Type Activities					
Charges for services:					
Water	3,483,785	3,845,765	4,712,079	5,423,430	6,854,219
Sanitary	5,905,830	4,704,975	5,133,701	5,023,433	5,990,399
Capital grants and contributions	-	-	-	-	-
Total business-type activities	9,389,615	8,550,740	9,845,780	10,446,863	12,844,618
Total primary government activities program revenues	29,186,489	21,831,004	19,870,775	17,518,144	20,725,159
Net revenues (expenses):					
Governmental activities	(12,399,895)	(17,094,683)	(20,427,805)	(15,630,210)	(10,690,209)
Business-type activities	(2,618,760)	(1,069,289)	(436,750)	558,039	1,573,614
Total net revenues (expenses)	(15,018,655)	(18,163,972)	(20,864,555)	(15,072,171)	(9,116,595)

(Continued)

Source: City of Coachella



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

	Fiscal Years				
	2014	2015	2016	2017 <sup>(1)</sup>	2018
Expenses:					
Governmental activities:					
General government	\$ 4,124,482	\$ 4,849,757	\$ 4,251,234	\$ 6,836,135	\$ 6,368,636
Public safety	11,189,847	12,338,488	11,972,181	11,280,788	11,886,177
Community development	-	-	-	1,857,803	2,016,154
Public works	7,262,906	8,461,080	8,553,492	9,407,247	9,249,130
Parks and recreation	2,376,873	2,504,397	2,547,807	3,048,758	2,681,043
Interest on long-term debt	296,609	290,576	284,159	595,177	673,403
Total governmental activities	25,250,717	28,444,298	27,608,873	33,025,908	32,874,543
Business-type activities					
Water	5,415,282	5,286,149	5,957,705	6,156,918	6,332,662
Sanitary	5,247,438	5,206,579	5,451,109	5,387,442	5,659,749
Total business-type activities	10,662,720	10,492,728	11,408,814	11,544,360	11,992,411
Total primary government expenses	35,913,437	38,937,026	39,017,687	44,570,268	44,866,954
Program Revenues					
Governmental activities:					
Charges for services:					
General government	691,362	995,116	1,403,812	481,951	501,631
Public safety	80,823	601,521	923,539	637,133	606,712
Community development	-	-	-	667,214	1,222,486
Public works	473,148	567,991	993,438	2,055,336	1,571,685
Parks and recreation	38,717	78,314	63,165	58,578	55,125
Operating grants and contributions	11,445,418	5,545,347	6,505,798	8,385,986	9,401,381
Capital grants and contributions	12,178,865	15,028,254	12,079,607	6,258,668	3,247,640
Total governmental activities program revenue	24,908,333	22,816,543	21,969,359	18,544,866	16,606,660
Business Type Activities					
Charges for services:					
Water	6,393,874	6,795,227	5,991,334	5,810,063	6,170,863
Sanitary	5,278,139	5,480,180	5,411,565	5,312,468	5,438,519
Capital grants and contributions	-	-	-	858,571	1,702,766
Total business-type activities	11,672,013	12,275,407	11,402,899	11,981,102	13,312,148
Total primary government activities program revenues	30,186,472	28,296,723	27,380,924	21,715,100	22,045,179
Net revenues (expenses):					
Governmental activities	(342,384)	(5,627,755)	(5,639,514)	(14,481,042)	(16,267,883)
Business-type activities	1,009,293	1,782,679	(5,915)	436,742	1,319,737
Total net revenues (expenses)	666,909	(3,845,076)	(5,645,429)	(15,878,586)	(14,948,146)

(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				
	2009	2010	2011	2012	2013
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 15,334,880	\$ 13,914,451	\$ 14,936,877	\$ 7,230,805	\$ 3,641,132
Other taxes	4,703,772	3,878,561	3,270,921	4,799,090	7,465,062
Interest and rental income	459,763	181,921	616,606	333,809	56,285
Other revenues	451,263	351,448	725,955	39,472	820,102
Transfers	644,358	83,990	-	-	5,479,971
Total governmental activities	21,594,036	18,410,371	19,550,359	12,403,176	17,462,552
Business-type activities					
Other taxes	76,638	71,761	52,479	88,747	120,102
Interest and rental income	390,609	325,106	307,310	63,645	17,012
Other revenues	-	-	-	-	-
Transfers	(644,358)	(83,990)	-	-	-
Total business-type activities	(177,111)	312,877	359,789	152,392	137,114
Total primary government	21,416,925	18,723,248	19,910,148	12,555,568	17,599,666
Changes in Net Position					
Governmental activities	9,194,141	1,315,688	(877,446)	(3,227,034)	6,772,343
Business-type activities	(2,795,871)	(756,412)	(76,961)	710,431	1,710,728
Total primary government	\$ 6,398,270	\$ 559,276	\$ (954,407)	\$ (2,516,603)	\$ 8,483,071

(Continued)

Source: City of Coachella

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

	Fiscal Years				
	2014	2015	2016	2017 <sup>(1)</sup>	2018
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,865,606	\$ 4,632,924	\$ 4,944,626	\$ 4,754,692	\$ 5,036,564
Other taxes	7,391,279	10,045,129	12,186,264	11,306,756	12,057,090
Interest and rental income	106,855	132,856	240,638	91,806	182,336
Other revenues	491,553	807,923	1,595,993	171,567	442,860
Transfers	2,860,169	1,528,100	1,280,352	1,268,912	1,022,479
Total governmental activities	14,715,462	17,146,932	20,247,873	17,593,733	18,741,329
Business-type activities					
Other taxes	78,565	119,244	122,031	140,354	146,243
Interest and rental income	62,092	138,131	191,419	(24,732)	(8,682)
Other revenues	-	-	-	759,370	1,001,380
Transfers	(1,170,905)	(1,278,100)	(1,280,352)	(1,268,912)	(1,022,479)
Total business-type activities	(1,030,248)	(1,020,725)	(966,902)	(393,920)	116,462
Total primary government	13,685,214	16,126,207	19,280,971	17,199,813	18,857,791
Changes in Net Position					
Governmental activities	14,373,078	11,519,177	14,608,359	3,112,691	2,473,446
Business-type activities	(20,955)	761,954	(972,817)	42,822	1,436,199
Total primary government	\$ 14,352,123	\$ 12,281,131	\$ 13,635,542	\$ 3,155,513	\$ 3,909,645

(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				
	2009	2010	2011	2012	2013 <sup>(1)</sup>
General Fund:					
Reserved	\$ 152,911	\$ 182,516	\$ 97,889	\$ 696,055	\$ 747,187
Unreserved	6,645,206	6,973,935	7,438,822	7,216,287	7,233,049
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 6,798,117</u>	<u>\$ 7,156,451</u>	<u>\$ 7,536,711</u>	<u>\$ 7,912,342</u>	<u>\$ 7,980,236</u>
All other government funds:					
Reserved	\$ 9,791,031	\$ 6,119,021	\$ 6,119,021	\$ 7,557,962	\$ 6,473,490
Unreserved, reported in:					
Special revenue funds	18,214,433	20,477,006	22,277,334	9,811,963	8,762,749
Capital projects funds	11,870,645	10,997,083	9,507,944	(8,722)	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 39,876,109</u>	<u>\$ 37,593,110</u>	<u>\$ 37,904,299</u>	<u>\$ 17,361,203</u>	<u>\$ 15,236,239</u>
Total governmental funds	<u>\$ 46,674,226</u>	<u>\$ 44,749,561</u>	<u>\$ 45,441,010</u>	<u>\$ 25,273,545</u>	<u>\$ 23,216,475</u>

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

Source: City of Coachella

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

	Fiscal Years				
	2014	2015	2016	2017	2018
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	712,301	804,798	1,086,738	4,508,082	15,626,798
Restricted	-	1,034	1,034	1,046	1,045
Committed	127,126	962,276	962,276	1,895,358	58,049
Assigned	-	545	545	545	545
Unassigned	4,641,681	5,379,585	7,810,266	4,632,342	6,993,819
Total general fund	<u>\$ 5,481,108</u>	<u>\$ 7,148,238</u>	<u>\$ 9,860,859</u>	<u>\$ 11,037,373</u>	<u>\$ 22,680,256</u>
All other government funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	68,311
Restricted	4,364,961	\$ 4,521,075	\$ 4,946,650	\$ 4,387,395	\$ 11,389,843
Committed	5,485,291	4,425,140	4,028,827	15,424,846	-
Assigned	3,225,142	2,480,066	1,631,603	940,181	-
Unassigned	(10,842)	(1,795)	(62,260)	(3,723,091)	(13,315,214)
Total all other governmental funds	<u>\$ 13,064,552</u>	<u>\$ 11,424,486</u>	<u>\$ 10,544,820</u>	<u>\$ 17,029,331</u>	<u>\$ (1,857,060)</u>
Total governmental funds	<u>\$ 18,545,660</u>	<u>\$ 18,572,724</u>	<u>\$ 20,405,679</u>	<u>\$ 28,066,704</u>	<u>\$ 20,823,196</u>

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

Source: City of Coachella

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

	Fiscal Years				
	2009	2010	2011	2012	2013
Revenues:					
Taxes	\$ 20,144,921	\$ 17,586,613	\$ 18,207,798	\$ 15,285,530	\$ 11,719,602
Property tax increment	-	-	-	-	-
Licenses and permits	1,860,509	506,267	328,074	443,692	614,773
Charges for services	415,752	941,030	513,713	331,760	453,441
Fines and forfeits	312,085	193,308	186,327	200,141	95,057
Intergovernmental revenue	7,994,437	6,410,258	4,790,834	10,333,837	7,509,649
Developer Fees	-	-	-	-	-
Special Assessments	-	-	-	-	-
Investment Income	922,654	658,301	616,600	196,698	56,285
Other income	5,612,347	6,225,902	4,518,528	6,933,698	6,268,534
Total revenues	37,262,705	32,521,679	29,161,874	33,725,356	26,717,341
Expenditures:					
Current:					
General government:	7,297,718	5,692,863	4,296,416	5,055,676	4,511,278
Public safety	9,705,504	8,816,894	9,873,162	10,248,889	11,236,936
Community development					
Public works	3,567,104	3,852,501	6,766,312	2,949,814	3,598,866
Parks and recreation	962,264	830,108	1,132,761	1,257,203	1,677,442
Capital outlays	22,239,928	4,441,241	1,582,158	11,150,050	12,781,950
Debt service:					
Pass-through Agreements	3,630,538	5,826,335	2,705,158	426,749	-
Principal retirements	1,186,049	1,643,602	1,356,591	1,240,000	145,000
Interest and fiscal changes	3,039,111	2,942,234	2,895,570	1,560,982	302,909
Total expenditures	51,628,216	34,045,778	30,608,128	33,889,363	34,254,381
Excess (deficiency) of revenues over (under) expenditures	(14,365,511)	(1,524,099)	(1,446,254)	(164,007)	(7,537,040)
Other financing sources (uses):					
Proceeds from bond debt	-	-	-	-	-
Transfers in	20,130,396	12,134,189	9,707,470	46,165,111	19,087,073
Transfers out	(19,486,038)	(12,050,199)	(9,707,470)	(46,165,111)	(13,607,102)
Total other financing sources (uses)	644,358	83,990	-	-	5,479,971
Extraordinary item:	-	-	146,882	(18,012,537)	-
Net change in fund balances	\$ (13,721,153)	\$ (1,440,109)	\$ (1,299,372)	\$ (18,176,544)	\$ (2,057,069)
Debt service as a percentage of non-capital expenditures	16.40%	19.29%	16.16%	12.55%	2.09%

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				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 11,724,882	\$ 14,676,884	\$ 17,164,738	\$ 17,984,732	\$ 17,871,790
Property tax increment					
Licenses and permits	442,562	538,012	798,212	816,351	271,415
Charges for services	180,654	397,549	450,980	628,946	1,372,626
Fines and forfeits	165,618	184,794	502,295	602,642	527,480
Intergovernmental revenue	15,291,696	17,809,697	15,923,966	8,046,558	4,854,874
Developer Fees		567,991	993,438	1,800,199	1,330,260
Special Assessments		3,129,783	3,228,493	3,489,601	3,643,875
Investment Income	106,855	132,856	240,638	32,899	217,530
Other income	4,088,497	807,923	1,595,993	900,843	1,944,043
Total revenues	32,000,764	38,245,489	40,898,753	34,302,771	32,033,893
Expenditures:					
Current:					
General government:	4,236,748	4,664,727	4,348,014	5,150,306	5,767,796
Public safety	11,123,018	12,271,659	11,905,352	12,700,293	11,755,720
Community development					2,623,874
Public works	3,876,914	5,069,452	5,161,864	5,125,166	3,120,604
Parks and recreation	1,865,921	1,984,820	2,028,230	2,476,561	1,814,259
Capital outlays	16,052,519	17,234,277	16,452,981	13,482,382	18,782,238
Debt service:					
Pass-through Agreements	-	-	-	-	-
Principal retirements	150,000	160,000	165,000	559,477	496,005
Interest and fiscal changes	297,109	291,109	284,709	566,473	765,920
Total expenditures	37,602,229	41,676,044	40,346,150	40,060,658	45,126,416
Excess (deficiency) of revenues over (under) expenditures	(5,601,465)	(3,430,555)	552,603	(5,757,887)	(13,092,523)
Other financing sources (uses):					
Proceeds from bond debt	-	-	-	12,150,000	-
Transfers in	22,151,890	20,840,763	19,309,673	17,609,220	29,980,647
Transfers out	(19,291,721)	(19,312,663)	(18,029,321)	(16,340,308)	(28,958,168)
Total other financing sources (uses)	2,860,169	1,528,100	1,280,352	13,418,912	1,022,479
Extraordinary item:	-	-	-	-	-
Net change in fund balances	\$ (2,741,296)	\$ (1,902,455)	\$ 1,832,955	\$ 7,661,025	\$ (12,070,044)
Debt service as a percentage of non-capital expenditures	2.07%	1.85%	1.88%	4.24%	4.84%

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
2009	2,113,810,148	124,455,289	1,989,354,859	18,982,925	1,970,371,934	4.86	-0.64%
2010	1,821,712,132	115,435,770	1,706,276,362	10,199,509	1,696,076,853	6.63	-13.92%
2011	1,642,263,955	155,857,195	1,486,406,760	11,506,708	1,474,900,052	6.63	-13.04%
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%

Source: Riverside County Assessor's Office  
MuniServices, LLC



**City of Coachella**  
**Citywide Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Nine 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

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.

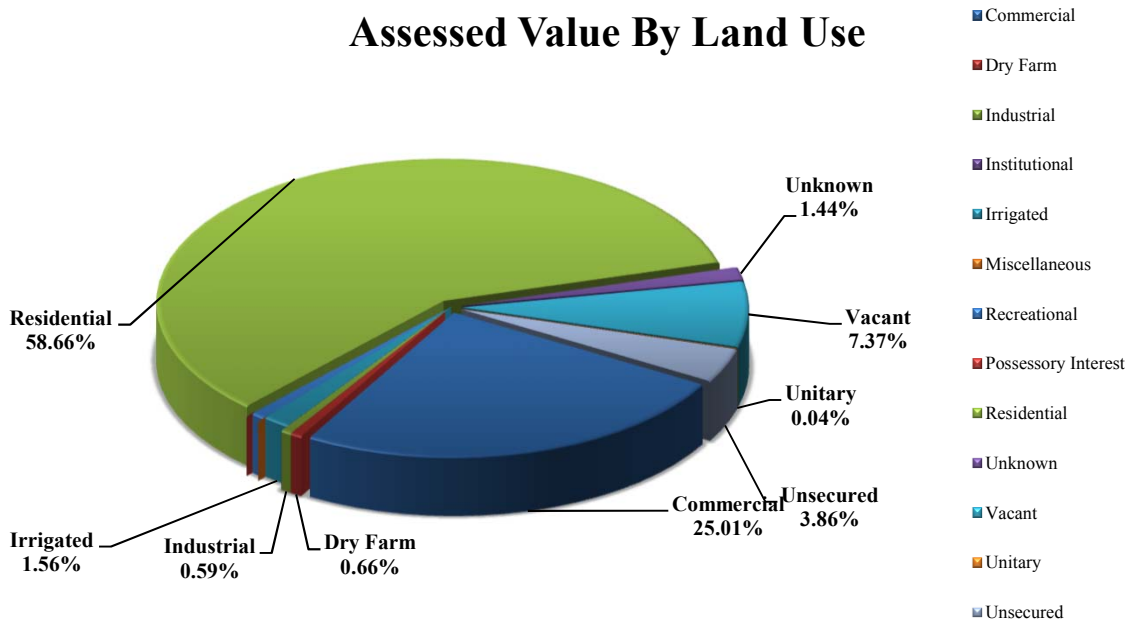
Source: Riverside County Assessor data, MuniServices, LLC



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

Category	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Agricultural	0	0	0	0	0	0	0	26,904	37,755	37,755
Commercial	152,499	282,639	295,988	300,470	285,845	287,616	406,038	399,750	420,392	443,568
Dry Farm	18,488	18,885	18,509	12,456	11,050	10,242	10,779	10,501	11,380	11,604
Industrial	105,518	9,380	8,955	9,349	6,793	7,377	9,568	9,694	9,795	9,983
Institutional	2,164	0	0	0	0	0	0	0	0	0
Irrigated	45,427	46,055	41,558	28,657	24,548	24,459	25,371	26,589	28,845	27,249
Miscellaneous	829	0	0	0	0	0	0	0	0	0
Recreational	5,327	0	0	0	0	0	13,309	13,702	13,812	12,295
Possessory Interest	5,676	1,276	983	988	0	0	0	0	0	0
Residential	1,075,436	885,069	782,723	755,901	715,872	752,563	952,455	1,046,676	1,104,721	1,172,396
Unknown	162,207	251,346	238,150	234,449	246,059	249,695	23,376	0	0	0
Vacant	467,419	260,491	192,433	144,016	132,619	126,940	119,667	125,571	130,128	137,644
Unitary	555	555	555	555	602	602	602	602	602	602
Gross Secured Value	2,041,545	1,755,697	1,579,853	1,486,841	1,423,388	1,459,494	1,561,165	1,659,990	1,757,430	1,853,096
Unsecured	72,265	66,016	62,411	60,340	58,542	60,143	62,643	68,540	73,439	77,734
Exemptions	124,455	115,436	155,857	153,904	155,811	115,454	145,480	162,064	166,033	161,356
Net Secured Value	1,989,355	1,706,276	1,486,407	1,393,277	1,326,119	1,404,183	1,478,328	1,566,466	1,664,836	1,769,474



Source: Riverside County Assessor data, MuniServices, LLC  
Source: 2008-09 prior, previous published CAFR  
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				
	2008-09	2009-10	2010-11	2011-12	2012-13
Basic City and County Levy					
COUNTY GENERAL	0.131000	0.103042	0.103042	0.103064	0.103064
COUNTY FREE LIBRARY	0.029000	0.013312	0.013312	0.013312	0.013312
CITY OF COACHELLA ANX	0.063000	0.030984	0.030985	0.031009	0.031009
COACHELLA VALLEY UNIFIED	0.391000	0.432209	0.432209	0.432209	0.432209
DESERT COMMUNITY COLLEGE	0.081000	0.069757	0.069757	0.069757	0.069757
RIV. CO. OFFICE OF EDUCATION	0.044000	0.037951	0.037951	0.037951	0.037951
RIV CO REG PARK & OPEN SPACE	0.005000	0.002544	0.002544	0.002544	0.002544
COACHELLA VALLEY PUB CEMETERY	0.004000	0.002131	0.002131	0.002131	0.002131
COACHELLA FIRE PROTECTION	0.054000	0.036499	0.036487	0.036487	0.036487
CV MOSQ & VECTOR CONTROL	0.015000	0.009059	0.009059	0.009059	0.009059
COACHELLA VALLEY REC & PARK	0.022000	0.010968	0.010968	0.010968	0.010968
COACHELLA VALLEY CO WATER	0.030000	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
COACH VAL CO WTR STORM WTR UNIT	0.032107	0.032107	0.032107	0.032107	0.032107
ERAF	0.198000	0.181914	0.181925	0.181878	0.181878
TOTAL	1.099432	1.000000	1.000000	1.000000	1.000000
Override Assessments					
COACHELLA VALLEY UNIFIED	0.060000	0.072470	0.093320	0.074870	0.079680
DESERT COMMUNITY COLLEGE	0.019950	0.019950	0.019950	0.019950	0.019950
COACHELLA VALLEY WATER	0.040000	0.060000	0.080000	0.080000	0.080000
TOTAL	0.119950	0.152420	0.193270	0.174820	0.179630
TOTAL TAX RATE	1.219382	1.152420	1.193270	1.174820	1.179630

*Continued*

For purposes of this table TRA 12-000 is represented

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

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

	Fiscal Years				
	2013-14	2014-15	2015-16	2016-17	2017-18
Basic City and County Levy					
COUNTY GENERAL	0.103064	0.103064	0.103064	0.103064	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	0.031009	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	0.036487	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	0.181878	0.181876	0.181876	0.181876	0.181867
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
COACHELLA VALLEY UNIFIED	0.149190	0.132180	0.132180	0.166010	0.176090
DESERT COMMUNITY COLLEGE	0.019950	0.020870	0.020870	0.020360	0.040300
COACHELLA VALLEY WATER	0.100000	0.100000	0.100000	0.100000	0.100000
TOTAL	0.269140	0.253050	0.253050	0.286370	0.316390
TOTAL TAX RATE	1.269140	1.253050	1.253050	1.286370	1.316390

*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
2008	16,214,101	16,214,101	100%	-	-	0%
2009	19,703,719	19,703,719	100%	-	-	0%
2010	16,960,768	16,960,768	100%	-	-	0%
2011	14,749,000	14,749,000	100%	-	-	0%
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	16,916,098	16,916,098	100%	-	-	0%

Source: Riverside County Assessors Office

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

Taxpayer	2017-18		2008-09	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
California Artichoke Veg Growe	32,055,729	1.81%	9,251,758	0.47%
Armtec Defense Products Co	29,820,431	1.69%	23,640,096	1.20%
Anthony Vineyards Inc.	20,610,372	1.16%	11,813,102	0.60%
Soco	20,117,005	1.14%	28,545,017	1.45%
Sun World Intl LLC	15,367,597	0.87%	11,821,071	0.60%
Halum Abesud	11,300,000	0.64%	14,860,359	0.75%
Hpt Ta Prop Trust	10,738,983	0.61%		
99 Only Stores	10,600,000	0.60%		
Wal Mart Stores Inc.	10,132,933	0.57%		
Sun Sands Enterprise	10,108,460	0.57%		
Coachella Leased Housing Assoc	9,782,824	0.55%		
Ellis Charles M	9,559,725	0.54%		
Grimmway Enterprise Inc.	9,502,527	0.54%		
Psav	9,475,598	0.54%		
Sirebrenik Jaime	8,517,000	0.48%		
Camp Court	8,450,539	0.48%		
Nika Royal	8,023,136	0.45%		
A S Coachella Centers	7,987,666	0.45%		
Cauzza Four Drug Store	7,636,819	0.43%		
Desert Lakes Master	7,341,000	0.41%		
Cvp Palm Springs	6,588,722	0.37%		
S D Inv Inc.	6,438,993	0.36%		
Wm Sub Esc	6,337,215	0.36%		
Christopher Coachella	6,125,323	0.35%		
Bci Coca Cola Bottling Co Of L	6,000,000	0.34%		
Lennar Desert Lakes			65,264,272	3.31%
R & R Land Inv			34,253,083	1.74%
Scripps Vineyards North			32,230,793	1.63%
Echo Trail Holdings			31,700,000	1.61%
Desert Highlands Assoc			28,667,024	1.45%
Glenroy Coachella			21,718,168	1.10%
Tr Shadow View			19,198,994	0.97%
Cretaceous Ventures			15,952,764	0.81%
Landsource Holdingco			14,630,140	0.74%
Avenue 48 Inv Group			14,023,317	0.71%
Brandenburg Oak Grove			13,794,171	0.70%
Ryland Homes Of Calif Inc			13,549,780	0.69%
Jackson Square Assoc			13,252,876	0.67%
Kb Home Coastal Inc			11,890,406	0.60%
Crv Rilmington Diegocoachella			11,770,125	0.60%
K Hovnanian Forecast Homes Inc			11,261,684	0.57%
Mfjk Partnership			9,990,736	0.51%
54Th Street			9,937,125	0.50%
Coachella Valley Land Co Inc			9,020,759	0.46%
Total Top 25 Taxpayers	288,618,597	16.31%	482,037,620	24.44%
Total Taxable Value	1,769,474,165	100.00%	1,972,020,081	100.00%

Source: Riverside County Assessor data, MuniServices, LLC



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

2017-18		2008-09	
<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxpayer</u>	<u>Business Type</u>
99 Cents Only Stores	Department Stores	Albertson's Food Centers	Food Markets
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Autozone	Auto Parts/Repair	Autozone	Auto Parts/Repair
Beck Oil	Energy Sales	Cardenas Market	Food Markets
Cardenas Market	Food Markets	Carl's Jr. Restaurants	Restaurants
Chevron Service Stations	Service Stations	Chevron Service Stations	Service Stations
Coronet Concrete Products	Bldg.Matls-Whsle	Coachella Ranch Market	Food Markets
Fastrip Service Stations	Service Stations	Coronet Concrete Products	Bldg.Matls-Whsle
Foster & Gardner	Florist/Nursery	Exxon Service Stations	Service Stations
Fulton Distributing Company	Food Processing Eqp	Fastrip Service Stations	Service Stations
B&M Oil Company	Service Stations	Food 4 Less	Food Markets
Hydro Ag Systems	Heavy Industry	Foster & Gardner	Florist/Nursery
Imperial Sprinkler Supply	Bldg.Matls-Whsle	Fulton Distributing Company	Food Processing Eqp
Imperial Western Products	Light Industry	J & M Sales	Auto Sales - Used
J & M Sales	Auto Sales - Used	Hydro Systems	Bldg.Matls-Whsle
Kenny Strickland	Service Stations	Jiquilpan Auto Sales	Auto Sales - Used
Love's Country Stores of California	Service Stations	Imperial Western Products	Light Industry
Mcdonald's Restaurants	Restaurants	Jack In The Box Restaurants	Restaurants
O'Reilly Auto Parts	Auto Parts/Repair	Lee Escher Oil Company	Energy Sales
Ralph's Grocery Company	Food Markets	Love's Travel Stop	Service Stations
Smart & Final Stores	Food Markets	Pool & Electrical Products	Bldg.Matls-Whsle
South West Pump & Drilling	Bldg. Matls-Whsle	Rite Aid Drug Stores	Drug Stores
Tower Market	Food Markets	TA Travel Center	Service Stations
Travel Center of America	Service Stations	Union 76 Service Stations	Service Stations
Walmart Neighborhood Market	Food Markets	Wells Supply Company	Bldg. Matls-Retail

Source: Avenu Insights & Analytics

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

Business-type Activities					
Fiscal Year	Redevelopment Bonds	Capital Leases	Certificates of Participation	Revolving Loan	Revenue Bonds
2009	51,940,000	200,193	7,115,000	-	-
2010	50,545,000	81,591	6,985,000	-	-
2011	49,405,000	-	6,850,000	-	-
2012	-	-	6,710,000	-	-
2013	-	-	6,565,000	-	-
2014	-	-	6,415,000	-	-
2015	-		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

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)
2009	26,781,870	21,982,766	108,019,829	20.52%	2,666
2010	26,281,572	20,983,114	104,876,277	19.67%	2,555
2011	25,761,785	19,960,470	101,977,255	18.916%	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

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				
	2009	2010	2011	2012	2013
Assessed valuation	2,113,810,148	1,821,712,132	1,642,263,955	1,547,181,026	1,481,929,638
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	528,452,537	455,428,033	410,565,989	386,795,257	370,482,410
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	79,267,881	68,314,205	61,584,898	58,019,288	55,572,361
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 79,267,881</u>	<u>\$ 68,314,205</u>	<u>\$ 61,584,898</u>	<u>\$ 58,019,288</u>	<u>\$ 55,572,361</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				
	2014	2015	2016	2017	2018
Assessed valuation	1,519,638,811	1,623,808,162	1,727,928,171	1,830,267,163	1,930,830,307
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	379,909,703	405,952,041	431,982,043	457,566,791	482,707,577
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	56,986,455	60,892,806	64,797,306	68,635,019	72,406,137
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 56,986,455</u>	<u>\$ 60,892,806</u>	<u>\$ 64,797,306</u>	<u>\$ 68,635,019</u>	<u>\$ 72,406,137</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	
2018	6,300,093	3,581,637	2,718,456	160,000	149,925	309,925	8.77
2017	5,763,890	3,204,126	2,559,764	150,000	152,288	302,288	8.47
2016	5,411,565	3,358,002	2,053,563	145,000	205,876	350,876	5.85
2015	5,411,565	2,965,381	2,446,184	140,000	211,475	351,475	6.96
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
2009	4,888,960	3,171,968	1,716,992	110,000	239,569	349,569	4.91

(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	
2018	8,469,760	4,519,571	3,950,189	430,000	327,473	757,473	5.21
2017	6,976,582	4,213,352	2,763,230	420,000	307,895	727,895	3.80
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
2009	3,602,250	3,264,599	337,651	270,000	563,963	833,963	0.40
2008	3,823,755	3,176,618	647,137	265,000	571,913	836,913	0.77

(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, 2018**

2017-18 Assessed Valuation: \$ 1,790,059,640

	Total Debt 6/30/2018	% Applicable	City's Share of Debt 6/30/18
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Desert Community College District	\$ 314,935,000	2.311%	\$ 7,278,148
Coachella Valley Unified School District	254,988,839	16.953%	43,228,258
Desert Sands Unified School District	294,895,000	0.324%	955,460
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 51,461,866
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Riverside County General Fund Obligations	\$ 812,829,106	0.679%	\$ 5,519,110
Riverside County Pension Obligations	266,365,000	0.679%	1,808,618
Coachella Valley Unified School District Certificates of Participation	39,035,000	16.953%	6,617,604
Desert Sands Unified School District Certificates of Participation	43,550,000	0.324%	141,102
<b>City of Coachella Gas Tax Revenue Certificates of Participation</b>	<b>18,384,518</b>	<b>100.00%</b>	<b>18,384,518 (1)</b>
Desert Recreation and Park District Certificates of Participation	778,538	<b>3.686%</b>	28,697
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 32,499,649
Less: Riverside County self-supporting obligations			22,769
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			32,476,880
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>			
	\$ 314,813,028	0.031-100%	\$ 36,902,953
<b>TOTAL DIRECT DEBT</b>			
TOTAL GROSS OVERLAPPING DEBT			\$ 18,384,518
TOTAL NET OVERLAPPING DEBT			\$ 100,932,788
			\$ 100,910,019
GROSS COMBINED TOTAL DEBT			
NET COMBINED TOTAL DEBT			\$ 112,467,788 (2)
			\$ 112,445,019

(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 2017-18 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt.....	
<b>Total Direct Debt (\$18,384,518).....</b>	1.03%
Gross Combined Total Debt .....	64.00%
Net Combined Total Debt .....	6.28%
	6.28%

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

Total Overlapping Tax Increment Debt.....	3.76%
---	-------

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)
2008-09	40,517	**	**	10,400	1,900	18,203	8.5%	15.3%	**	**
2009-10	41,043	**	**	9,800	2,600	17,499	13.6%	21.1%	2,109,882	1.9%
2010-11	41,502	**	**	9,600	2,700	18,464	14.0%	21.7%	2,217,778	1.9%
2011-12	41,904	**	**	10,200	2,500	18,406	12.7%	19.9%	2,227,577	1.9%
2012-13	42,784	522,778	12,219	10,200	2,400	18,720	12.3%	19.3%	2,255,059	1.9%
2013-14	43,633	524,512	12,021	10,500	2,100	18,850	10.3%	16.4%	2,279,967	1.9%
2014-15	43,917	521,470	11,874	16,300	1,700	18,878	6.2%	9.6%	2,308,441	1.9%
2015-16	45,407	582,708	12,833	16,700	1,900	18,862	6.7%	10.4%	2,347,828	1.9%
2016-17	45,551	596,832	13,102	17,100	1,600	18,719	6.1%	9.4%	2,384,783	1.9%
2017-18	45,635	610,489	13,378	17,800	1,800	18,372	4.2%	9.3%	2,415,955	1.9%

\*\* Data unavailable

Source: 2008-09 prior, previous published CAFR

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**  
**This Fiscal Year and Seven Years Ago**

Business Name	2017-18		2010-11	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Spotlight 29 Casino	480	2.44%	800	6.30%
Coachella Valley Unified School District (1)	488	2.48%	532	4.19%
Augustine Casino	357	1.81%	428	3.37%
Ernie Ball Inc/Paladar	380	1.93%	262	2.06%
Valley Pride (2)	250	1.27%	400	3.15%
Esterline Defense Technology (formerly Armtec Industry)	298	1.51%	315	2.48%
Coachella Valley Water District	224	1.14%	290	2.28%
Teserra Outdoors (formerly CA Pools)	183	0.93%	320	2.52%
Cardenas (Market #18) (3)	149	76.00%	122	0.96%
Coca-Cola Enterprises Inc	105	0.53%		
Sun World			200	1.57%
Total Top 10 Employers	2,914	14.79%	3,669	28.89%
Total City Labor Force (4)	19,700		12,700	

Source: Avenu Insights & Analytics

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

(1) Includes FTE and PTE, schools in

(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									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
General Government										
Administration	2.95	2.05	2.05	2.05	3.80	4.30	3.80	4.30	4.30	3.80
Community Development	4.00	2.25	3.50	3.50	4.50	4.50	4.50	4.50	4.50	4.50
Finance	3.85	2.60	3.60	3.60	3.50	3.50	3.50	4.50	4.50	3.50
General Government	4.00	3.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Neighborhood Services	5.50	2.00	1.00	1.00	2.00	3.00	3.00	5.00	5.40	5.00
Public Works	20.75	17.50	19.25	19.25	17.90	17.20	15.20	20.93	20.53	20.56
Senior Center	3.00	3.00	2.00	2.00	3.00	4.00	4.00	4.00	4.00	4.00
Landscape & Lighting District	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.87
Redevelopment Agency	10.15	8.05	8.05	8.05	-	-	-	-	-	-
Sanitary District	14.10	13.20	13.20	13.20	14.40	14.25	13.75	15.13	14.64	14.63
Water Agency	12.70	13.35	12.35	13.35	14.90	14.25	14.25	14.64	15.13	14.14
Grand Total	82.00	69.00	72.00	72.00	70.00	71.00	68.00	79.00	79.00	76.00

(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				
	2009	2010	2011	2012	2013
Public safety					
Police					
Substations	1	1	1	1	-
Service hours (per day)	110	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	11	11	11	11	11
Support personnel	20	20	1	1	1
Highways and streets					
Streets (miles)	104	109	115	115	115
Streetlights	1,892	1,893	1,894	1,894	1,894
Culture and recreation					
Parks acreage	61	61	61	61	89
Parks	7	7	7	7	7
Swimming pools	2	2	2	2	2
Tennis courts	-	-	-	-	-
Basketball courts	4	4	4	5	5
Community centers	1	1	1	1	1
Water					
Water meters active	7,208	7,255	7,278	7,743	7,776
Fire hydrants	537	537	537	537	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				
	2014	2015	2016	2017	2018
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	13	8
Support personnel	1	1	1	1	-
Highways and streets					
Streets (miles)	108	109	109	109	109
Streetlights	1,788	1,809	1,809	1,809	1,809
Culture and recreation					
Parks acreage	89	89	89	89	89
Parks	8	8	8	8	8
Swimming pools	2	2	2	2	1
Tennis courts	-	-	-	-	-
Basketball courts	5	5	5	5	5
Community centers	2	2	2	1	1
Water					
Water meters active	7,917	8,699	8,322	8,322	8,384
Fire hydrants	546	550	550	550	2,290
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				
	2009	2010	2011	2012	2013
Police (based on calendar year) **					
Homicide	4	2	1	4	2
Rape	9	3	5	8	4
Robbery	64	74	76	61	54
Aggravated Assault	178	114	194	168	124
Burglary	479	551	467	373	418
Mothor Vehicle Theft	297	405	258	293	352
Larceny Theft	578	667	972	650	738
Arson	10	11	6	8	9
Fire					
Average Response Time (minutes)	4	3	3	4	4
Structural Fires	41	25	14	17	20
Commercial Fires	15	3	3	3	7
Other Fires	118	85	76	114	130
Medical aids	1,212	1,239	1,104	1,568	1,610
Traffic Collisions	121	139	136	213	197
Water					
New connections	85	47	23	53	153
Average daily consumption (gallons)	3,297,075	3,165,192	3,165,192	7,353,443	7,135,287
Wastewater					
Average daily sewage treatment (gallons)	2,516,125	2,532,354	2,532,354	2,810,891	2,717,800

\*\* 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				
	2014	2015	2016	2017	2018
Police (based on calendar year) **					
Homicide	3	6	4	0	1
Rape	4	4	4	2	5
Robbery	57	55	51	18	26
Aggravated Assault	82	99	96	38	46
Burglary	306	241	200	95	81
Mothor Vehicle Theft	326	203	236	119	191
Larceny Theft	646	708	802	426	606
Arson	4	3	0		
Fire					
Average Response Time (minutes)	4	4	4	4	4
Structural Fires	15	23	14	11	13
Commercial Fires	0	2	1	3	5
Other Fires	71	87	116	141	129
Medical aids	1,591	1,884	1,731	1,907	1,700
Traffic Collisions	195	252	234	293	204
Water					
New connections	134	48	25	16	67
Average daily consumption (gallons)	6,297,187	6,022,370	5,600,000	6,307,000	6,496,235
Wastewater					
Average daily sewage treatment (gallons)	2,765,000	2,684,000	2,534,000	2,573,000	2,649,000

\*\* Data based on January - June 2018

Source: City of Coachella



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