

CITY OF COACHELLA, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2021

City of Coachella, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Prepared By:

The City of Coachella Finance Department

City of Coachella
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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April 27, 2022

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. 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 a complete set of financial statements each year 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 Annual Comprehensive Financial Report (ACFR) of the City of Coachella for the fiscal year ended June 30, 2021. Readers should refer to the included Management Discussion and Analysis section of the ACFR for a narrative overview and analysis of the City's financial activities.

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 ACFR, 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 it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

PROFILE OF THE CITY OF COACHELLA

The origin of the name Coachella is unclear but in 1901 the citizens of Woodspur, California voted on a new name for their community. During their town hall meeting, the homeowners decided on Coachella as their designation. Coachella began as 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 in Riverside County the 4th largest county in California and one of the fastest growing Counties in the Country 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, younger population with 70% of the population between the ages of 18 and 65, 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 47,825 as of January 2021. In addition, Coachella's stability is evidenced by its unusually high rate of nearly 71.5% home ownership.

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 Funds 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 Annual Comprehensive Financial Statements for fiscal year 2020-21 was prepared in accordance with accounting principles generally accepted in the United States of America. As reflected in the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

LOCAL ECONOMY

According to the State of California Employment Development Department (EDD), as of March 2022, the total workforce for the City of Coachella was 21,100 of which 19,100 were employed. The unemployment rate was 9.6%.

The local economy has rebounded from the COVID 19 global pandemic. City management continues to be cautiously optimistic about continued resiliency for the local economy as global markets and economies continue to grow all be it at a slowing pace. 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. Inflation has increased 10% from a year earlier as of March 2022. Rapidly increasing inflation will have a significant impact on the City's finances since revenue growth needed to offset rising costs does not directly correlate to the price of goods.

MAJOR INITIATIVES

Capital Improvement Projects:

During fiscal year 2020-21, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2020-21 fiscal year included: Bagdouma Park pool rehabilitation, street resurfacing, construction of the Grapefruit Blvd Urban Greening Project, Dillon Road Bridge Interchange design, storm drain infracturcture improvement and the Fire Station Expansion projcet.

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.

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 2016, the City took steps to redevelop Downtown Coachella. The City implemented a Structural Property Improvement Program (SPIP) to provide grants to property owners to retrofit their seismically inhabitable commercial buildings. Then the City purchased an equivalent of 1.3 acres of land across from City Hall and has completed a new state-of-the-art municipally owned library and adjoining Senior Center. This strategic planning will keep the downtown area vibrant, walkable and a hub for the downtown commercial/retail community. Furthermore, Riverside County's Department of Social Services (DPSS) relocated from the City of Indio to Downtown Coachella. The City is now experiencing the foot traffic of 200+ employees and numerous clients, in the downtown area.

In 2020, City Council approved the Pueblo Viejo Villas low income housing apartment projects within the City that will add 110 residential units. The project will connect to the City's downtown and includes a City bus transit hub that will be operated by Sunline Transit Agency and pedestrian walkways. City Council also approve the related 108 unit Tripoli Apartments project in the downtown area.

FINANCIAL INFORMATION

Budgetary Controls:

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

Internal Controls:

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

Blended Component Units:

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

General Governmental Functions:

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

The City's enterprise operations consist of water, and sanitary funds. These funds fall under the management and control of the City Council acting as Board Members.

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, 2020. This was the 9th 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.

Respectfully Submitted,



Dr. Gabriel Martin
City Manager



Nathan Statham
Finance Director



Government Finance Officers Association

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

Presented to

**City of Coachella
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO

CITY OF COACHELLA

List of Principal Officials
As of June 30, 2021

City Council – Manager Form of Government

CITY COUNCIL

STEVEN HERNANDEZ
Mayor

EMMANUEL MARTINEZ
Mayor Pro Tem

MEGAN BEAMAN JACINTO
Council Member

PHILIP BAUTISTA
Council Member

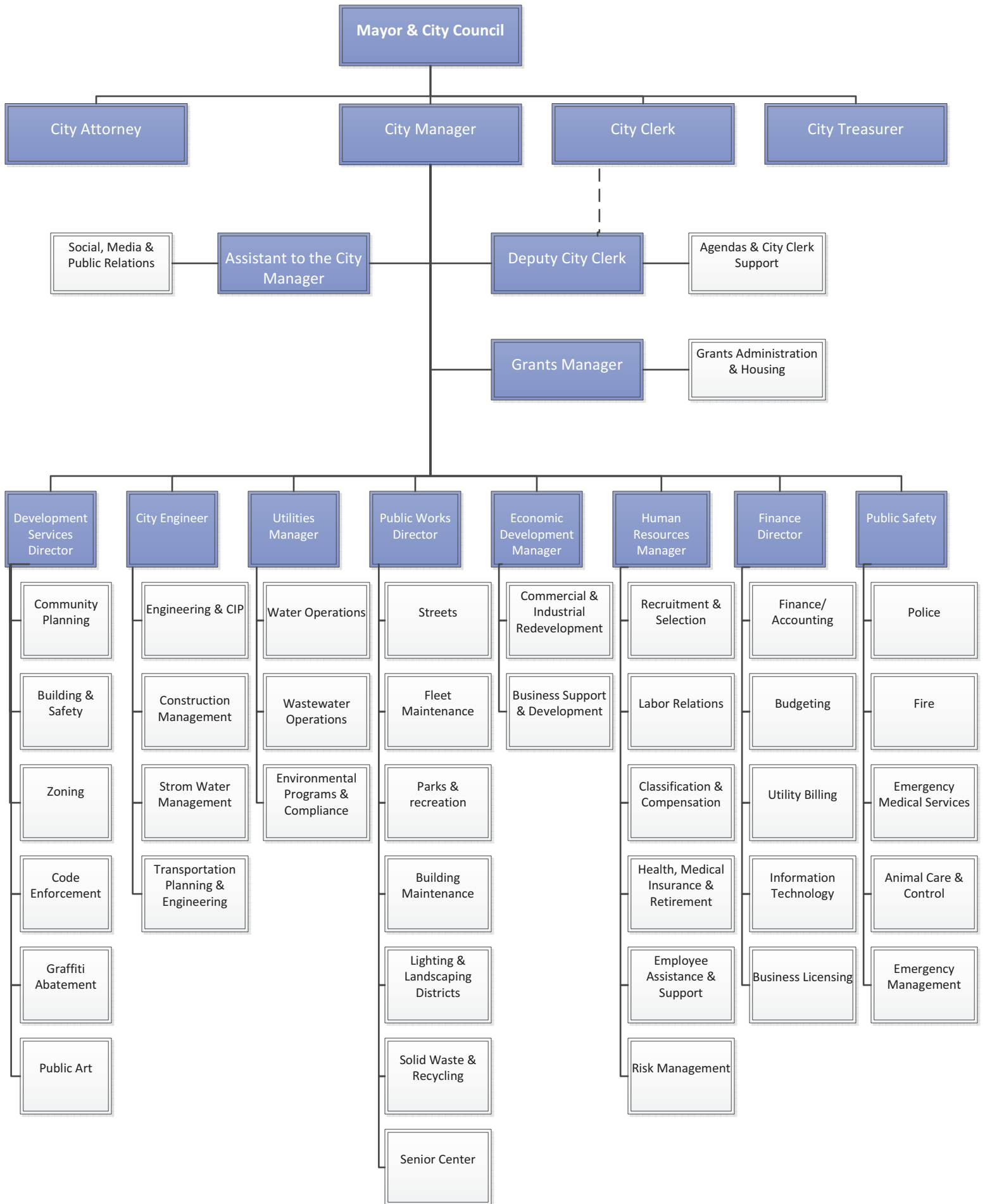
JOSIE GONZALEZ
Council Member

CITY ADMINISTRATION

William B. Pattison Jr.
City Manager

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

Carlos Campos
Arturo Aviles
Angela Zepeda
Gabor Pakozdi
Luis Lopez
Dr. Gabriel Martin
Nathan Statham
Bonifacio De La Cruz
Misty Reynolds
Maritza Martinez
Castulo Estrada



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coachella, California (the "City") as of and for the year ended June 30, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits on pages 5 to 13 and 95 to 105, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022, 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
April 27, 2022



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City of Coachella
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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 Annual Comprehensive Financial Report (ACFR).

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, 2021. Management's Discussion and Analysis provides readers with a basic overview of the financial results and financial position of the City of Coachella. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal. All amounts are expressed in millions of dollars unless otherwise stated.

Financial Highlights

The assets and deferred outflows of resources of the City of Coachella exceeded its total liabilities and deferred inflows of resources at the close of the fiscal year by \$236.29 million (*net position*). Of this amount, \$205.29 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$4.93 million (*unrestricted net position*) represents net position available to meet the government's ongoing obligations to citizens and creditors.

The City's total net position increased by \$8.63 million between FY 2019-20 and FY 2020-21. During the period total revenues equaled \$61.05 million, an increase of \$8.87 million over fiscal year 2019-20 and expenses totaled \$52.42 million a \$2.59 million increase over the same time period.

The governmental activities total net position increased by \$7.37 million and the business-type total net position increased by \$1.27 million. The governmental activities increase was essentially due to an increase of \$1.18 million in operating grants and contributions, \$0.51 million in capital grant and contributions revenue and \$1.67 million in charges for services. Governmental activities revenues saw significant increases in sales taxes and cannabis taxes of \$2.33 and \$1.46 million respectively, but these increases were offset by small decreases in business license taxes and investment earnings of \$0.04 and \$0.37 million respectively. The increase in Business-type activities was essentially due to increase of \$1.07 and \$0.89 million in charges for services and capital grants income respectively, that was offset by decrease of \$0.74 million in investment losses and increases in expenses.

At the close of the fiscal year 2020-21, the City of Coachella's governmental funds reported combined ending fund balances of \$23.15 million, an increase of \$5.53 million in comparison with the prior year. The unassigned fund deficit is (\$17.36) million. The primary reason for the increase in total fund balance was strong sales tax growth along with overall tax increases.

Overview of the Financial Statements

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

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

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

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with the finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Coachella maintains seventeen 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 Fees Special Revenue Fund, Grants Special Revenue Fund, Capital Projects Fund, and Debt Repayment Debt Service Fund all of which are considered to be major funds. Data from the twelve other funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Coachella, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$236.29 million at the close of the fiscal year. By far the largest *portion* of the City's net position, \$205.29 million reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets and is still outstanding net of unspent debt proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Coachella's Net position

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Current and restricted assets	\$ 34,893,020	\$ 30,570,072	\$ 25,470,568	\$ 23,678,862	\$ 60,363,588	\$ 54,248,934
Capital assets	194,817,969	195,047,474	56,955,278	59,312,796	251,773,247	254,360,270
Total Assets	229,710,989	225,617,546	82,425,846	82,991,658	312,136,835	308,609,204
Deferred Outflows of Resources	15,465,435	3,396,647	6,954,669	2,025,736	22,420,104	5,422,383
Long-term debt outstanding	46,385,462	33,539,624	42,986,391	39,564,535	89,371,853	73,104,159
Other liabilities	6,678,783	10,226,660	1,405,888	1,523,979	8,084,671	11,750,639
Total Liabilities	53,064,245	43,766,284	44,392,279	41,088,514	97,456,524	84,854,798
Deferred Inflows of Resources	591,721	1,092,858	220,402	429,275	812,123	1,522,133
Net position:						
Net invested in capital assets	177,996,160	177,654,735	27,295,555	27,498,094	205,291,715	205,152,829
Restricted	11,338,507	10,220,894	14,725,959	12,551,198	26,064,466	22,772,092
Unrestricted	2,185,791	(3,720,578)	2,746,320	3,450,313	4,932,111	(270,265)
Total Net Position	\$ 191,520,458	\$ 184,155,051	\$ 44,767,834	\$ 43,499,605	\$ 236,288,292	\$ 227,654,656

The City's net position increased by \$8.63 million or 3.79 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, 2021

City of Coachella's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
REVENUES:						
Program Revenues:						
Charges for services	\$ 5,717,810	\$ 4,050,901	\$ 13,029,097	\$ 11,961,272	\$ 18,746,907	\$ 16,012,173
Operating grants and contributions	9,937,711	8,759,557	-	-	9,937,711	8,759,557
Capital grants and contributions	5,992,390	5,482,588	1,951,333	1,057,169	7,943,723	6,539,757
General Revenues:						
Property Taxes	6,271,457	6,042,270	172,514	178,215	6,443,971	6,220,485
Sales and Use Taxes	10,015,063	7,687,485	-	-	10,015,063	7,687,485
Franchise Taxes	1,015,838	965,943	-	-	1,015,838	965,943
Transient Occupancy Taxes	533,044	227,076	-	-	533,044	227,076
Utility Users Taxes	2,413,772	2,242,714	-	-	2,413,772	2,242,714
Construction Taxes	527,192	297,939	-	-	527,192	297,939
Cannabis Tax	1,897,439	440,962	-	-	1,897,439	440,962
Business License Taxes	565,300	606,394	-	-	565,300	606,394
Investment Income	60,372	427,179	(29,085)	713,094	31,287	1,140,273
Other revenues	453,340	340,100	529,607	705,991	982,947	1,046,091
Total Revenues	45,400,728	37,571,108	15,653,466	14,615,741	61,054,194	52,186,849
EXPENSES:						
General government	6,549,997	7,540,100	-	-	6,549,997	7,540,100
Public safety	14,091,910	13,095,197	-	-	14,091,910	13,095,197
Community development	2,763,141	1,943,784	-	-	2,763,141	1,943,784
Public works	13,357,859	10,631,562	-	-	13,357,859	10,631,562
Parks & recreation	2,057,642	2,730,838	-	-	2,057,642	2,730,838
Interest on long-term debt	915,310	954,884	1,209,369	1,084,117	2,124,679	2,039,001
Operating expenses	-	-	11,475,330	11,854,315	11,475,330	11,854,315
Total Expenses	39,735,859	36,896,365	12,684,699	12,938,432	52,420,558	49,834,797
Increase (Decrease) in Net Position before transfers	5,664,869	674,743	2,968,767	1,677,309	8,633,636	2,352,052
Net transfers	1,700,538	1,573,863	(1,700,538)	(1,573,863)	-	-
Increase (Decrease) in Net Position	7,365,407	2,248,606	1,268,229	103,446	8,633,636	2,352,052
Beginning of Net Position	184,155,051	181,906,445	43,499,605	43,396,159	227,654,656	225,302,604
Ending Net Position	\$ 191,520,458	\$ 184,155,051	\$ 44,767,834	\$ 43,499,605	\$ 236,288,292	\$ 227,654,656

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Governmental activities: Governmental activities increased the City's net position by \$7.37 million. Key elements of this increase are as follows:

While total revenues increased \$7.83 million, the City saw an increase in charges for services of \$1.67 million, and increase in capital and operating grants and contributions of \$1.18 million, an increase of \$2.33 million in sales tax, an increase of \$1.46 million in cannabis taxes with a decrease of \$0.37 million in investment income and a decrease of \$0.04 million in business license tax.

Total expenses from governmental activities increased by \$2.84 million during the fiscal year. One of the major increases was seen by public works of \$2.73 million, and was due to the recognition of expenses for several capital improvement projects. An increase in public safety of \$1.00 million was due increases in contract costs for police, fire and animal control. A decrease in general government of \$0.99 million was primarily the result of decreases in other professional services costs.

Business-type Activities: Business-type increased its net position by \$1.27 million. Business-type revenues increased \$1.04 million. The increase was due to an increase in capital grants and contributions of \$0.89 million, an increase in charges for services of \$1.07 million, and decreases in investment income of \$0.74 million. Expenses decreased \$0.25 million. The decrease was essentially due to a decrease in operating expenses: general supplies, repairs and maintenance, and professional services.

Financial Analysis of the Government's Funds

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

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

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$23.15 million, an increase of \$5.53 million in comparison with the prior year. Of the \$23.15 million total, \$7.53 million constitutes non-spendable fund balances, which means that these balances are not available to fund operating expenditures of the organization; \$21.68 million are restricted fund balances which are the result of external limitations on spending; \$6.71 million are committed which are the result of City Council imposed restrictions for fiscal reserves, \$4.60 million are committed for various known financial resource requirements of the City's governmental funds and (\$17.36) million represents unassigned fund deficit 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 \$3.11 million, while the total General Fund balance was \$21.88 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 82.27 percent of the total budgeted expenditures.

The fiscal year 2020-21 ending fund balance of the City's General Fund is a net total of \$21.88 million which is an increase of \$5.27 million from fiscal 2019-20. General Fund revenues were \$26.52 million with expenditures at \$22.77 million which is an excess of \$3.76 million of revenues over expenditures. The other financing sources increased the fund balance by \$1.51 million which brings the net change in fund balance for the year to \$5.27 million.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

The Development Impact Fees Fund (DIF), a special revenue fund, is primarily used to collect development impact fees and fund capital improvement projects. The fund ended the year with a fund balance of \$(15.81) million, an increase of \$2.29 million. The fund balance reflects bonded borrowings for capital improvements to the Coachella Library with \$11.22 million funded through the borrowing and the unpaid principal balance reflected in the negative fund balance along with advances from the City's General Fund for the construction of the City's senior and civic centers. The Development Impact Fund increase was a direct result of developer fee payments. DIF funds were primarily used to fund street additions, expansions and upgrades.

The Grants Fund, a special revenue fund, is primarily used to account for grant revenues received from federal, state and local funding sources. The fund ended the year with a fund deficit of \$(4.66) million a decrease of \$4.00 million. The decrease in fund balance is largely due to the recognition of unavailable revenues from fiscal year 2019-20 that were not received in time to be considered current economic resources of fiscal year 2020-21 and will be recognized as revenues in fiscal year 2021-22.

The City's Capital Projects Fund is primarily used to account for capital improvement projects including street, storm drain, City facility and other significant capital improvements. The fund ended the year with a fund balance of \$0.18 million representing no net change in fund balance for the fiscal year. It is customary for the City to match project funding with project expenditures in a given fiscal year resulting in no net change in fund balance for most projects.

The Debt Repayment Fund, a debt service fund, is primarily used to account for debt service on long term borrowing by the City. Governmental bonded debt for the City's 2019 Gas Tax Revenue Refunding, 2016 Lease Revenue Bonds and 2020 Pension Obligation Bonds are accounted for in this fund. The fund ended the year with a fund balance of \$11.86 million an increase of \$0.26 million. The increase in fund balance was the result of debt service retirements on the City's long term debt.

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

Total net position for proprietary funds finished the year at \$44.77 million. The Water Authority accounted for \$27.36 million of this total with the Sanitary District accounting for the remaining \$17.41 million.

The *Coachella Water Authority's* net position increased \$0.36 million over the fiscal year 2020-21. During the year, the Authority had total operating revenues of \$6.90 million and operating expenses of \$6.05 million. The Authority's total operating revenues increased \$0.37 million or 5.72 percent over the previous fiscal year, while operating expenses decreased \$0.60 million or 9.03 percent. A large portion of this decrease in operating expenses was due to a system analysis project to meet state mandated water quality objectives expensed in fiscal year 2019-20.

The *Coachella Sanitary District's* net position increased \$0.91 million over the fiscal year 2019-20. The District had operating revenues of \$6.66 million and operating expenses of \$5.43 million. Operating revenues increased \$0.52 million or 8.43 percent while operating expenses increased \$0.22 million or 4.26 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, 2021, amounts to \$251.77 million (net of accumulated depreciation). The City invests in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, art work, vehicles, and equipment. This amount represents a net decrease which includes additions and deletions of \$2.59 million.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

City of Coachella's Capital Assets Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land	\$ 17,364,048	\$ 17,364,048	\$ 887,772	\$ 887,772	\$ 18,251,820	\$ 18,251,820
Construction In Progress	15,985,395	9,863,236	729,620	717,677	16,715,015	10,580,913
Buildings & Improvements	21,033,562	21,849,547	502,977	530,403	21,536,539	22,379,950
Machinery & Equipment	418,933	553,112	1,031,215	1,063,820	1,450,148	1,616,932
Infrastructure	140,016,031	145,417,531	53,803,694	56,113,124	193,819,725	201,530,655
Totals	\$ 194,817,969	\$ 195,047,474	\$ 56,955,278	\$ 59,312,796	\$ 251,773,247	\$ 254,360,270

Governmental activities had the following projects complete and assets placed in service during fiscal year 2020-21 (in millions of dollars):

- Machinery and equipment \$0.16
- Bridges \$0.60
- Storm drains \$0.13
- Streets and transportation \$6.79
- Buildings \$0.56
- Parks \$0.31

Additional information on the City of Coachella's capital assets can be found in Note 6 to the financial statements.

Long-term debt: At the end of the current fiscal year, the City's governmental activities had \$46.39 million in bonds, loans payable, compensated absences, claims payable and net pension/OPEB liabilities compared to \$33.54 million the previous year, an increase of \$12.85 million or 38.31 percent. This increase was due to the issuance of pension obligations bonds. Business type activities had \$42.99 million in bonds, loans payable, compensated absences, and net pension/OPEB liabilities compared to \$39.56 million last year, a decrease of \$3.42 million or 8.65 percent. See Note 7 Long-Term Liabilities.

City of Coachella's Long-term Debt

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Loans Payable	\$ 906,182	\$ 974,951	\$ 10,812,488	\$ 12,151,239	\$ 11,718,670	\$ 13,126,190
Pension Obligation Bonds	12,569,574	-	5,020,426	-	17,590,000	-
Revenue Bonds	15,915,797	16,417,953	19,168,549	20,006,609	35,084,346	36,424,562
Compensated Absences	572,459	605,736	405,262	323,288	977,721	929,024
Claims Payable	73,341	380,618	-	-	73,341	380,618
Net Pension Liability	12,873,979	11,987,625	5,245,552	4,906,468	18,119,531	16,894,093
Net OPEB Liability	3,474,130	3,172,741	2,334,114	2,176,931	5,808,244	5,349,672
Totals	\$ 46,385,462	\$ 33,539,624	\$ 42,986,391	\$ 39,564,535	\$ 89,371,853	\$ 73,104,159

General Fund Budgetary Highlights

The City Council revised the budget throughout the fiscal year with midyear revenue and appropriation adjustments, changes made to appropriations for specific identified projects and approved other revenue and appropriation adjustments after the original budget was adopted.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

After accounting for these budget adjustment, the General Fund revenues were \$5.12 million higher than final budgeted amounts. Collections of sales taxes and additional unexpected other revenues were over budget but this was somewhat offset by higher than expected investment losses and lower than expected charges for services and fines, forfeitures and penalties.

General fund budgeted expenditures were \$0.73 lower than final budgeted amounts. General government exceeded budgeted amounts by \$0.03 million due to higher than anticipated legal costs. The Development Services Department expenditures exceeded the budget by \$0.08 million. This was largely due to increased building activity.

Economic Factors and Next Year's Budget

California's diverse economy has recovered from and surpassed the negative effects of the COVID 19 pandemic emergency. Unemployment has decreased from the highs seen in the first part of the pandemic in mid-2020 to pre-pandemic levels. California's unemployment rate was 5.10% in December 2021 compared to 8.7% in December 2020. Economic forecasts project that low unemployment will continue in California and Riverside County for the foreseeable future as labor constraints tighten.

In 2021-22 the City of Coachella plans to spend \$18.13 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 in fiscal year 2021-22 are as follows:

- Widening of Avenue 50 from Calhoun to Harrison. This includes roadway widening, traffic engineering, traffic signal modifications, sidewalk improvements, bicycle lanes and landscaping.
- Construction of the Dillon Road Bridge which connects the Interstate I-10 and the Highway 86 interchange. The Dillon Road bridge and road widening is unique in that it involves many jurisdictions with the City of Coachella taking the lead. The four primary parties who will form an agreement regarding improvements and maintenance for the project include: City of Coachella, City of Indio, the Cabazon Band of Mission Indians, and the Twenty-Nine Palms Band of Mission Indians.
- Fire station expansion and upgrades will incorporate current building standards, apparatus bay improvements and generator and electrical system upgrades for the City's fire station.
- The Pueblo Viejo Transportation Hub project will bring Sun Line Transit bus connectivity to down town. The City will utilize grant funding to construct street and landscape improvements transportation hub location.
- Sewer system infrastructure improvements at 48th and Harrison. These improvements will expand sewer availability into a new area of the City currently without system access.

Sales Tax: The City's sales taxes have increased and are projected to decrease in fiscal year 2021-22 as the local and global economies continues to rebound from the COVID 19 global pandemic. Sales tax revenues increased by \$2.33 million compared to fiscal year 2019-20. During fiscal year 2020-21, Sales Tax Revenue was \$10.02 million.

Revenue Outlook: Overall tax revenues are expected to maintain moderate growth as the economy continues to expand. Property and sales taxes are expected to grow moderately. Growth is also expected in development related fee revenues as investment activity continues to increase in the City.

Expenditure Outlook: The fiscal year 2021-22 will see General Fund expenditures budgeted at \$26.80 million. The Public Safety budget continues to dominate with a budget of \$11.91 million, which represents 44.44 percent of the General Fund budget. 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 \$2.3 million in revenue to the General Fund.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Requests for information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at the City of Coachella, 53990 Enterprise Way, Coachella California 92236 or via email at finance@coachella.org.



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BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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City of Coachella
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 17,727,324	\$ 8,577,132	\$ 26,304,456
Restricted cash	-	14,375,615	14,375,615
Investments with fiscal agent	877,315	375,617	1,252,932
Accounts receivable	1,187,774	1,855,015	3,042,789
Interest receivable	31,547	35,993	67,540
Due from other governments	8,526,342	152,065	8,678,407
Prepaid items	2,016,527	99,131	2,115,658
Deferred special assessment	287,670	-	287,670
Loans receivable	4,238,521	-	4,238,521
Capital assets not being depreciated	33,349,443	1,617,392	34,966,835
Capital assets, net of depreciation	161,468,526	55,337,886	216,806,412
Total Assets	229,710,989	82,425,846	312,136,835
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	296,041	296,041
Pension related items	14,902,725	6,280,595	21,183,320
Other postemployments benefits related items	562,710	378,033	940,743
Total Deferred Outflows of Resources	15,465,435	6,954,669	22,420,104
LIABILITIES			
Accounts payable and accrued liabilities	5,585,517	635,920	6,221,437
Deposits payable	399,581	353,763	753,344
Due to other governments	101,373	-	101,373
Unearned revenue	396,482	-	396,482
Interest payable	195,830	416,205	612,035
Long-term liabilities:			
Due within one year	1,767,106	2,786,264	4,553,370
Due in more than one year	44,618,356	40,200,127	84,818,483
Total Liabilities	53,064,245	44,392,279	97,456,524
DEFERRED INFLOWS OF RESOURCES			
Pension related items	475,552	142,359	617,911
Other postemployment benefits related items	116,169	78,043	194,212
Total Deferred Inflows of Resources	591,721	220,402	812,123
NET POSITION			
Net investment in capital assets	177,996,160	27,295,555	205,291,715
Restricted for:			
Low income housing	6,121,154	-	6,121,154
Highways and streets	3,530,115	-	3,530,115
Capital projects	324,751	14,375,615	14,700,366
Public safety	64,664	-	64,664
Pension obligation	877,144	350,344	1,227,488
Other	420,679	-	420,679
Total restricted	11,338,507	14,725,959	26,064,466
Unrestricted	2,185,791	2,746,320	4,932,111
Total Net Position	\$ 191,520,458	\$ 44,767,834	\$ 236,288,292

See accompanying Notes to the Financial Statements.

City of Coachella
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 6,549,997	\$ 578,245	\$ 568,078	\$ -	\$ 1,146,323
Public safety	14,091,910	179,705	3,244,433	-	3,424,138
Community development	2,763,141	1,051,471	515,972	-	1,567,443
Public works	13,357,859	3,907,646	5,609,228	5,992,390	15,509,264
Parks and recreation	2,057,642	743	-	-	743
Interest on long-term debt	915,310	-	-	-	-
Total governmental activities	39,735,859	5,717,810	9,937,711	5,992,390	21,647,911
Business-type Activities:					
Water utility	6,595,413	6,370,999	-	838,186	7,209,185
Sewer utility	6,089,286	6,658,098	-	1,113,147	7,771,245
Total business-type activities	12,684,699	13,029,097	-	1,951,333	14,980,430
Total primary government	\$ 52,420,558	\$ 18,746,907	\$ 9,937,711	\$ 7,943,723	\$ 36,628,341

(Continued)

City of Coachella
Statement of Activities (Continued)
For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General government	\$ (5,403,674)	\$ -	\$ (5,403,674)
Public safety	(10,667,772)	-	(10,667,772)
Community development	(1,195,698)	-	(1,195,698)
Public works	2,151,405	-	2,151,405
Parks and recreation	(2,056,899)	-	(2,056,899)
Interest on long-term debt	(915,310)	-	(915,310)
Total governmental activities	(18,087,948)	-	(18,087,948)
Business-type Activities:			
Water utility	-	613,772	613,772
Sewer utility	-	1,681,959	1,681,959
Total business-type activities	-	2,295,731	2,295,731
Total primary government	(18,087,948)	2,295,731	(15,792,217)
General Revenues:			
Property taxes	6,271,457	172,514	6,443,971
Sales and use tax	10,015,063	-	10,015,063
Franchise taxes	1,015,838	-	1,015,838
Transient occupancy tax	533,044	-	533,044
Utility users tax	2,413,772	-	2,413,772
Construction tax	527,192	-	527,192
Cannabis Tax	1,897,439	-	1,897,439
Business License	565,300	-	565,300
Investment income	60,372	(29,085)	31,287
Other revenue	453,340	529,607	982,947
Transfers	1,700,538	(1,700,538)	-
Total general revenues and transfers	25,453,355	(1,027,502)	24,425,853
Change in Net Position	7,365,407	1,268,229	8,633,636
Net Position			
Beginning of year	184,155,051	43,499,605	227,654,656
End of year	\$ 191,520,458	\$ 44,767,834	\$ 236,288,292

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FUND FINANCIAL STATEMENTS



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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Coachella
Balance Sheet
Governmental Funds
June 30, 2021

	Special Revenue Funds			
	General Fund	Development Impact Fees	Grants Fund	Capital Projects Fund
ASSETS				
Cash and investments	\$ 8,496,197	\$ 1,485,784	\$ 34,474	\$ -
Receivables:				
Accounts receivable	1,156,541	-	-	-
Interest	13,966	5,949	991	-
Due from other governments	2,312,819	-	5,829,679	-
Deferred special assessment	-	-	-	-
Loans receivables	-	-	-	-
Due from other funds	5,800,731	-	-	7,062,978
Prepaid items	1,955,534	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	-
Advance to other funds	5,514,403	-	-	-
Total assets	\$ 25,250,191	\$ 1,491,733	\$ 5,865,144	\$ 7,062,978
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,491,226	\$ 566,330	\$ 90,478	1,137,580
Accrued wages payable	328,548	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	170,028	5,569,735	5,545,909
Unearned revenue	37,856	126,897	60,969	168,355
Deposits payable	369,236	-	-	30,345
Advance from other funds	-	16,436,820	-	-
Total liabilities	3,226,866	17,300,075	5,721,182	6,882,189
Deferred Inflows of Resources:				
Unavailable revenue	142,353	-	4,804,488	-
Fund Balances:				
Nonspendable	7,469,937	-	-	-
Restricted	-	-	-	180,789
Committed	6,701,122	-	-	-
Assigned	4,600,000	-	-	-
Unassigned (Deficit)	3,109,913	(15,808,342)	(4,660,526)	-
Total fund balances	21,880,972	(15,808,342)	(4,660,526)	180,789
Total liabilities, deferred inflows of resources and fund balances	\$ 25,250,191	\$ 1,491,733	\$ 5,865,144	\$ 7,062,978

(Continued)

City of Coachella
Balance Sheet (Continued)
Governmental Funds
June 30, 2021

	Debt Repayment Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ -	\$ 7,710,869	\$ 17,727,324
Receivables:			
Accounts receivable	-	31,233	1,187,774
Interest	-	10,641	31,547
Due from other governments	-	383,844	8,526,342
Deferred special assessment	-	287,670	287,670
Loans receivables	-	4,238,521	4,238,521
Due from other funds	-	-	12,863,709
Prepaid items	60,993	-	2,016,527
Restricted assets:			
Cash and investments with fiscal agent	877,315	-	877,315
Advance to other funds	10,922,417	-	16,436,820
Total assets	\$ 11,860,725	\$ 12,662,778	\$ 64,193,549
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 970,576	\$ 5,256,190
Accrued wages payable	-	779	329,327
Due to other governments	-	101,373	101,373
Due to other funds	-	1,578,037	12,863,709
Unearned revenue	-	2,405	396,482
Deposits payable	-	-	399,581
Advance from other funds	-	-	16,436,820
Total liabilities	-	2,653,170	35,783,482
Deferred Inflows of Resources:			
Unavailable revenue	-	309,028	5,255,869
Fund Balances:			
Nonspendable	60,993	-	7,530,930
Restricted	11,799,732	9,700,580	21,681,101
Committed	-	-	6,701,122
Assigned	-	-	4,600,000
Unassigned (Deficit)	-	-	(17,358,955)
Total fund balances	11,860,725	9,700,580	23,154,198
Total liabilities, deferred inflows of resources and fund balances	\$ 11,860,725	\$ 12,662,778	\$ 64,193,549

(Concluded)



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City of Coachella
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Fund Balances of Governmental Funds	\$ 23,154,198
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.	194,817,969
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.	5,255,869
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	(572,459)
Long-term debt	(29,391,553)
Claims payable	(73,341)
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.	(195,830)
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
Deferred outflows of resources related to pensions	14,902,725
Net pension liability	(12,873,979)
Deferred inflows of resources related to pensions	(475,552)
Net other postemployment benefits liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
Deferred outflows of resources related to other postemployment benefits	562,710
Net other postemployment benefits liability	(3,474,130)
Deferred inflows of resources related to other postemployment benefits	(116,169)
Net Position of Governmental Activities	<u><u>\$ 191,520,458</u></u>

City of Coachella
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	General Fund	Development Impact Fees	Grants Fund	Capital Projects Fund
REVENUES:				
Taxes	\$ 23,357,280	\$ -	\$ -	\$ -
Licenses, permits and fees	648,250	-	-	-
Charges for services	638,553	-	-	-
Fines, forfeitures and penalties	155,740	-	-	-
Intergovernmental	1,068,516	-	2,854,030	-
Developer fees	-	3,716,801	-	-
Special assessments	-	-	-	-
Investment income	85,955	845	9,235	-
Net increase (decrease) in the fair value of investments	(92,489)	(41,940)	-	-
Other revenue	662,921	-	-	55,317
Total revenues	26,524,726	3,675,706	2,863,265	55,317
EXPENDITURES:				
Current:				
General government	6,570,545	33,831	-	-
Public safety - police	9,734,830	-	-	-
Public safety - fire	-	-	-	-
Public safety - animal control	221,763	-	-	-
Community development	1,305,057	-	1,274,473	-
Community development - building	347,927	-	-	-
Engineering	985,678	-	-	-
Public works	1,605,381	1,092,354	30,802	-
Public works - Parks and recreation	1,953,369	-	-	-
Capital outlay	43,931	-	-	8,391,347
Debt service:				
Principal retirement	-	68,769	-	-
Interest and fiscal charges	-	46,439	-	-
Total expenditures	22,768,481	1,241,393	1,305,275	8,391,347
Excess (deficiency) of revenues over expenditures	3,756,245	2,434,313	1,557,990	(8,336,030)
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of debt	-	-	-	-
Transfers in	4,159,009	-	-	8,336,030
Transfers out	(2,649,162)	(147,267)	(5,559,713)	-
Total other financing sources (uses)	1,509,847	(147,267)	(5,559,713)	8,336,030
Net change in fund balances	5,266,092	2,287,046	(4,001,723)	-
FUND BALANCES:				
Beginning of year, as restated (Note 15)	16,614,880	(18,095,388)	(658,803)	180,789
End of year	\$ 21,880,972	\$ (15,808,342)	\$ (4,660,526)	\$ 180,789

(Continued)

City of Coachella
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2021

	Debt Repayment Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ -	\$ 888,174	\$ 24,245,454
Licenses, permits and fees	-	-	648,250
Charges for services	-	38,123	676,676
Fines, forfeitures and penalties	-	-	155,740
Intergovernmental	-	4,863,216	8,785,762
Developer fees	-	-	3,716,801
Special assessments	-	3,978,786	3,978,786
Investment income	7	71,983	168,025
Net increase (decrease) in the fair value of investments	-	(26,874)	(161,303)
Other revenue	-	9,164	727,402
Total revenues	7	9,822,572	42,941,593
EXPENDITURES:			
Current:			
General government	1,399,877	11,580	8,015,833
Public safety - police	3,303,374	6,049	13,044,253
Public safety - fire	3,303,374	2,899,025	6,202,399
Public safety - animal control	-	-	221,763
Community development	979,148	-	3,558,678
Community development - building	96,408	-	444,335
Engineering	600,236	-	1,585,914
Public works	2,447,722	1,675,699	6,851,958
Public works - Parks and recreation	-	-	1,953,369
Capital outlay	-	-	8,435,278
Debt service:			
Principal retirement	455,000	-	523,769
Interest and fiscal charges	793,651	-	840,090
Total expenditures	13,378,790	4,592,353	51,677,639
Excess (deficiency) of revenues over expenditures	(13,378,783)	5,230,219	(8,736,046)
OTHER FINANCING SOURCES (USES):			
Proceeds from issuance of debt	12,569,574	-	12,569,574
Transfers in	1,071,789	1,627,138	15,193,966
Transfers out	-	(5,137,286)	(13,493,428)
Total other financing sources (uses)	13,641,363	(3,510,148)	14,270,112
Net change in fund balances	262,580	1,720,071	5,534,066
FUND BALANCES:			
Beginning of year, as restated (Note 15)	11,598,145	7,980,509	17,620,132
End of year	\$ 11,860,725	\$ 9,700,580	\$ 23,154,198

(Concluded)

City of Coachella
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Governmental-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Governmental Funds	\$ 5,534,066
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	8,435,278
Net effect of disposal of capital assets	(2,269,188)
Depreciation	(6,395,595)
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the governmental funds.	
	2,490,378
Issuance of long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position:	
Proceed from issuance	(12,569,574)
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	523,769
Claims payable	307,277
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.	
	33,277
Debt service expenditures, as well as interest, are reported only when payment is due in the governmental funds. In the Statement of Activities, interest and amortization expenses are recognized in the period in which the liability is incurred.	
	(106,463)
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 \$18,685,033.	
	11,711,009
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 \$73,260.	
	(328,827)
Change in Net Position of Governmental Activities	\$ 7,365,407

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Coachella
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Water	Sanitary	
ASSETS	Authority	District	Total
Current Assets:			
Cash and investments	\$ 6,756,497	\$ 1,820,635	\$ 8,577,132
Restricted cash	8,199,452	6,176,163	14,375,615
Investments with fiscal agent	166,808	208,809	375,617
Accounts receivable, net	1,125,663	729,352	1,855,015
Interest receivable	23,540	12,453	35,993
Due from other government	-	152,065	152,065
Prepaid items	77,825	21,306	99,131
Total current assets	16,349,785	9,120,783	25,470,568
Noncurrent Assets:			
Capital assets not being depreciated	926,741	690,651	1,617,392
Capital assets being depreciated	60,636,342	61,206,451	121,842,793
Less: accumulated depreciation	(34,895,781)	(31,609,126)	(66,504,907)
Total capital assets	26,667,302	30,287,976	56,955,278
Total noncurrent assets	26,667,302	30,287,976	56,955,278
Total assets	43,017,087	39,408,759	82,425,846
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges from debt refunding	125,520	170,521	296,041
Deferred amount related to pensions	2,947,059	3,333,536	6,280,595
Deferred amount related to other postemployment benefits	184,845	193,188	378,033
Total deferred outflows of resources	3,257,424	3,697,245	6,954,669

(Continued)

City of Coachella
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	279,672	232,559	512,231
Accrued wages payable	59,383	64,306	123,689
Deposits payable	353,763	-	353,763
Interest payable	245,598	170,607	416,205
Compensated absences, due within one year	136,211	172,590	308,801
Bonds payable, due within one year	686,358	417,827	1,104,185
Loans payable, due within one year	-	1,373,278	1,373,278
Total current liabilities	1,760,985	2,431,167	4,192,152
Noncurrent Liabilities:			
Compensated absences, due in more than one year	40,206	56,255	96,461
Bonds payable, due in more than one year	13,409,053	9,675,737	23,084,790
Loans payable, due in more than one year	-	9,439,210	9,439,210
Net other postemployment benefits liability	1,141,250	1,192,864	2,334,114
Net pension liability	2,461,383	2,784,169	5,245,552
Total noncurrent liabilities	17,051,892	23,148,235	40,200,127
Total liabilities	18,812,877	25,579,402	44,392,279
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	66,800	75,559	142,359
Deferred amount related to other postemployment benefits	38,160	39,883	78,043
Total deferred inflows of resources	104,960	115,442	220,402
NET POSITION			
Net investment in capital assets	15,087,739	12,207,816	27,295,555
Restricted for capital projects	8,199,452	6,176,163	14,375,615
Restricted for pension obligation	166,808	183,536	350,344
Unrestricted	3,902,675	(1,156,355)	2,746,320
Total Net Position	\$ 27,356,674	\$ 17,411,160	\$ 44,767,834

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City of Coachella
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Water	Sanitary	
	Authority	District	Total
OPERATING REVENUES			
Charges for services	\$ 6,370,999	\$ 6,658,098	\$ 13,029,097
Other revenue	528,910	697	529,607
Total operating revenue	6,899,909	6,658,795	13,558,704
OPERATING EXPENSES			
Salaries and benefits	2,337,598	2,513,738	4,851,336
Administrative and general	410,335	415,550	825,885
Professional services	356,424	352,437	708,861
Materials and supplies	673,690	203,235	876,925
Repairs and maintenance	220,989	91,811	312,800
Utilities	955,177	454,835	1,410,012
Depreciation and amortization	1,095,093	1,394,418	2,489,511
Total operating expenses	6,049,306	5,426,024	11,475,330
Operating income	850,603	1,232,771	2,083,374
NONOPERATING REVENUES (EXPENSES)			
Property taxes	-	172,514	172,514
Investment income	145,099	79,580	224,679
Net increase (decrease) in the fair value of investments	(165,964)	(87,800)	(253,764)
Interest expense and fiscal charges	(546,107)	(663,262)	(1,209,369)
Total nonoperating revenues (expenses)	(566,972)	(498,968)	(1,065,940)
Income (loss) before contributions and transfers	283,631	733,803	1,017,434
CONTRIBUTIONS AND TRANSFERS			
Connection charges	780,444	1,043,775	1,824,219
Intergovernmental revenue	57,742	69,372	127,114
Transfer out	(759,279)	(941,259)	(1,700,538)
Total contributions and transfers	78,907	171,888	250,795
Change in net position	362,538	905,691	1,268,229
NET POSITION			
Beginning of year	26,994,136	16,505,469	43,499,605
End of year	\$ 27,356,674	\$ 17,411,160	\$ 44,767,834

City of Coachella
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 7,314,446	\$ 6,584,121	\$ 13,898,567
Cash payments to vendors and suppliers	(2,895,357)	(1,382,486)	(4,277,843)
Cash payments to employees for services	(4,491,942)	(4,917,823)	(9,409,765)
Net cash provided by (used in) operating activities	(72,853)	283,812	210,959
Cash Flows From Noncapital Financing Activities:			
Property taxes received	-	195,789	195,789
Cash transferred/paid to other funds	(759,279)	(941,259)	(1,700,538)
Issuance of pension obligation bonds	2,390,328	2,630,098	5,020,426
Net cash (used in) noncapital financing activities	1,631,049	1,884,628	(1,504,749)
Cash Flows From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(74,468)	(94,828)	(169,296)
Connection fee received	780,444	1,043,775	1,824,219
Intergovernmental revenue received	57,742	69,372	127,114
Principal paid on long-term debt	(532,094)	(1,598,323)	(2,130,417)
Interest paid on long-term debt	(547,450)	(641,833)	(1,189,283)
Net cash provided by capital and related financing activities	(315,826)	(1,221,837)	(1,537,663)
Cash Flows From Investing Activities			
Interest on investments	737	431	1,168
Net cash provided by investing activities	737	431	1,168
Net change in cash and cash equivalents	1,243,107	947,034	2,190,141
Cash and Cash Equivalents:			
Beginning of year	13,879,650	7,258,573	21,138,223
End of year	<u>\$ 15,122,757</u>	<u>\$ 8,205,607</u>	<u>\$ 23,328,364</u>
Cash and Cash Equivalents:			
Cash and investments	\$ 6,756,497	\$ 1,820,635	\$ 8,577,132
Restricted cash	8,199,452	6,176,163	14,375,615
Investment with fiscal agent	166,808	208,809	375,617
Total cash and cash equivalents	<u>\$ 15,122,757</u>	<u>\$ 8,205,607</u>	<u>\$ 23,328,364</u>

(Continued)

City of Coachella
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities Enterprise Funds		
	Water Authority	Sanitary District	Totals
Reconciliation of Operating Income to Net Cash Provided by (Used in)			
Operating Activities:			
Operating income	\$ 850,603	\$ 1,232,771	\$ 2,083,374
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,095,093	1,394,418	2,489,511
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	409,083	(74,674)	334,409
Decrease (increase) in prepaid items	7,782	2,717	10,499
Decrease (increase) in deferred outflows of resources - pensions	(2,336,067)	(2,653,449)	(4,989,516)
Decrease (increase) in deferred outflows of resources - OPEB	19,494	19,261	38,755
Increase (decrease) in accounts payable	(286,524)	132,665	(153,859)
Increase (decrease) in accrued wages payable	12,274	10,690	22,964
Increase (decrease) in deposits payable	5,454	-	5,454
Increase (decrease) in compensated absences	36,303	45,671	81,974
Increase (decrease) in net pension liability	139,438	199,646	339,084
Increase (decrease) in net OPEB liability	73,964	83,219	157,183
Increase (decrease) in deferred inflows of resources - pensions	(93,014)	(102,328)	(195,342)
Increase (decrease) in deferred inflows of resources - OPEB	(6,736)	(6,795)	(13,531)
Total adjustments	(923,456)	(948,959)	(1,872,415)
Net cash provided by (used in) operating activities	\$ (72,853)	\$ 283,812	\$ 210,959
Noncash Capital and Related Financing Activities			
Amortization of premium on bonds and deferred charges	\$ (24,679)	\$ 113	\$ (24,566)
Loss on disposal of assets	\$ -	\$ (37,303)	\$ (37,303)

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FIDUCIARY FUND FINANCIAL STATEMENTS



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City of Coachella
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Successor Agency Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 534,667	\$ 4,364,871
Receivables:		
Accounts receivable	-	483,069
Interest receivable	-	6,128
Loans receivable	952,811	-
Prepaid items	219,852	-
Land held for resale	906,960	-
Total assets	2,614,290	4,854,068
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	23,914	-
LIABILITIES		
Accounts payable	-	991,962
Accrued interest	403,806	-
Long-term liabilities:		
Due within one year	1,755,000	-
Due in more than one year	29,967,514	-
Total liabilities	32,126,320	991,962
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	331,128	-
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organization, and other governments	\$ (29,819,244)	\$ 3,862,106

City of Coachella
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Successor Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Redevelopment Property Tax Trust Fund	\$ 3,231,442	\$ -
Assessment revenue collected	-	404,605
Investment income	-	46,693
Net increase (decrease) in the fair value of investments	(17,604)	(37,911)
Refuse revenue collected for other organization	-	2,413,099
Waste transfer charges collected for other organization	-	1,085,736
Total additions	<u>3,213,838</u>	<u>3,912,222</u>
DEDUCTIONS:		
Interest and fiscal charges	1,106,457	-
Administrative expense	157,923	-
Payment of special assessment district expense	-	355,855
Payment of refuse revenue to other organization	-	2,358,827
Payment of waste transfer charges to other government	-	923,639
Total deductions	<u>1,264,380</u>	<u>3,638,321</u>
Change in net position	1,949,458	273,901
NET POSITION:		
Beginning of year, as restated (Note 15)	(31,768,702)	3,588,205
End of year	<u>\$ (29,819,244)</u>	<u>\$ 3,862,106</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS



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City of Coachella
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For the Fiscal Year Ended June 30, 2021

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City of Coachella
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City of Coachella
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

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

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

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

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

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

There are no separately issued financial statements for these blended component units.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

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

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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements and eliminations have been made to minimize the double-counting of internal activities. However, interfund service provided and used are not eliminated in the process of consolidation. 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, 2021

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

B. Measurement Focus, Basis of Accounting and Financial Statement 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 180 days of the end of the current fiscal period except for property taxes, which is within 60 days. 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 Fees Special Revenue Fund*** is used to account for funds received to mitigate the impact of new development on the City's infrastructure.

The ***Grants 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 Projects Fund*** is used to account for the capital improvement projects which are financed through the governmental funds.

The ***Debt Repayment Debt Service Fund*** is used to account for the funding for the issuance of debt and repayments related activities.

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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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)

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

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

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

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 custodial funds and a private purpose trust fund. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

The City reports the following fiduciary funds:

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.

Custodial Funds – These funds account for resources held by the City in a trustee or custodian capacity for JPA waste transfer services, Coachella Valley Water District for storm drainage and related capital projects, refuse service provided by Burrtec, Coachella Parks and Recreation Foundation, and special assessment collected for CFD 2018-1 Glenroy debt service payments. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

C. Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities. For purposes of the Statement of Cash Flows, the Water Authority Enterprise Fund and Sanitary District Enterprise Fund consider all cash and investments with original maturities of 90 days or less to be cash or cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

D. Fair Value Measurement

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

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

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

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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

G. Interfund Transactions

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

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

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

H. Capital Assets

Capital assets, which include land, structures, equipment, and infrastructure assets, are reported in the government-wide and proprietary funds financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Capital assets purchased in excess of \$5,000 are capitalized if they have an expected useful life in excess of 1 year. Donated capital assets, donated works of art and similar item, and capital assets received in a service arrangement are to be reported at acquisition value at the time of its donation.

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

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

I. Unearned and Unavailable Revenue

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

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

J. Long-Term Liabilities

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

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

K. Compensated Absences

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

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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

N. Other Postemployment Benefits

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

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

O. Deferred Outflows and Inflows of Resources

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

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

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

P. Net Position

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

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

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

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

Q. Fund Balances

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

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

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

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

Assigned - amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The governing council has authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally do not exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. The authority for assigning fund balance is expressed by the city manager or the appointed designee based on the City's approved policies.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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

Q. Fund Balances (Continued)

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

R. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

S. Use of Estimates

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

T. Implementation of GASB New Pronouncements

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Implementation of this did not have a material effect on the financial statements.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 2 – Cash and Investments

Cash and investments at June 30, 2021 are classified as follows:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 17,727,324	\$ 8,577,132	\$ 4,899,538	\$ 31,203,994
Restricted cash	-	14,375,615	-	14,375,615
Cash and investment with fiscal agent	877,315	375,617	-	1,252,932
Total cash and investments	<u>\$ 18,604,639</u>	<u>\$ 23,328,364</u>	<u>\$ 4,899,538</u>	<u>\$ 46,832,541</u>

Cash and investments at June 30, 2021 consisted of the following:

Cash and Investments:	
Petty cash	\$ 3,500
Deposits with financial institutions	20,307,035
Investments	26,522,006
Total cash investments	<u>\$ 46,832,541</u>

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$20,307,035 at June 30, 2021. Bank balances at that date were \$21,931,280, 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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

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 ⁽¹⁾	Maximum Percentage of Portfolio ⁽²⁾	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	None	100%	75 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

⁽¹⁾ 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.

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

C. Investments Authorized by Debt Agreements

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2021, 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, 2021:

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	\$ 6,659,220	\$ 6,659,220	\$ -	\$ -
Supranational agency bonds ⁽¹⁾	149,526	-	149,526	-
US government sponsored enterprise securities ^{(1) (2)}	6,824,996	-	6,824,996	-
Corporate note ⁽¹⁾	3,666,273	-	3,666,273	-
Negotiable certificates of deposit ⁽³⁾	1,237,231	-	1,237,231	-
Asset-backed securities ⁽²⁾	1,044,848	-	1,044,848	-
Municipal bonds ⁽⁴⁾	803,358	-	803,358	-
Money market funds	92,175	-	-	92,175
LAIF	4,791,439	-	-	4,791,439
Investments with Fiscal Agent:				
Money market funds	1,252,940	-	-	1,252,940
Total investments	\$ 26,522,006	\$ 6,659,220	\$ 13,726,232	\$ 6,136,554

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

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

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

⁽⁴⁾ Municipal bonds are valued by municipal pricing tape from various market and industry inputs.

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, 2021

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	\$ 6,659,220	\$ -	\$ 745,930	\$ 1,756,157	\$ 2,364,026	\$ 1,793,107
Supranational agency bonds	149,526	-	-	149,526	-	-
US government sponsored enterprise securities	6,824,996	618,500	1,672,608	1,446,158	1,836,099	1,251,631
Corporate note	3,666,273	1,038,842	384,714	491,403	1,679,940	71,374
Negotiable certificates of deposit	1,237,231	192,075	1,045,156	-	-	-
Asset-backed securities	1,044,848	-	168,999	579,050	156,792	140,007
Municipal bonds ⁽⁴⁾	803,358	-	-	198,446	334,191	270,721
Money market funds	92,175	92,175	-	-	-	-
LAIF	4,791,439	4,791,439	-	-	-	-
Investments with Fiscal Agent:						
Money market funds	1,252,940	1,252,940	-	-	-	-
Total investments	<u>\$ 26,522,006</u>	<u>\$ 7,985,971</u>	<u>\$ 4,017,407</u>	<u>\$ 4,620,740</u>	<u>\$ 6,371,048</u>	<u>\$ 3,526,840</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+	Unrated
	Rating					
Investments:						
US Treasury notes	N/A	\$ 6,659,220	\$ 6,659,220	\$ -	\$ -	\$ -
Supranational agency bonds	AA	149,526	149,526	-	-	-
US government sponsored enterprise securities	N/A	6,824,996	6,824,996	-	-	-
Corporate note	A	3,666,273	203,536	1,248,166	2,214,571	-
Negotiable certificates of deposit	A	1,237,231	-	890,079	347,152	-
Asset-backed securities	AA	1,044,848	1,044,848	-	-	-
Municipal bonds	A	803,358	214,193	549,321	39,844	-
Money market funds	N/A	92,175	92,175	-	-	-
LAIF	N/A	4,791,439	-	-	-	4,791,439
Investments with Fiscal Agent:						
Money market funds	N/A	1,252,940	1,252,940	-	-	-
Total investments		<u>\$ 26,522,006</u>	<u>\$ 16,441,434</u>	<u>\$ 2,687,566</u>	<u>\$ 2,601,567</u>	<u>\$ 4,791,439</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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, 2021 are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	US government sponsored enterprise securities	\$ 3,513,249
Federal Home Loan Mortgage Corp	US government sponsored enterprise securities	3,311,747

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, 2021, 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, 2021 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, 2021, the City had \$4,791,439 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes, Medium-term Asset-Backed Securities, and Short-term Asset Backed Commercial Paper. The value of the City's investment in the pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded at the amortized cost.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 3 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2021, the City had the following due from/to other funds:

	Due From Other Funds		
	General Fund	Capital Projects	Total
Due To Other Funds		Fund	
Development Impact Fees			
Special Revenue Fund	\$ 170,028	\$ -	\$ 170,028
Grants Revenue Fund	-	5,569,735	5,569,735
Capital Projects Fund	5,545,909	-	5,545,909
Nonmajor Governmental Funds	84,794	1,493,243	1,578,037
Total	\$ 5,800,731	\$ 7,062,978	\$ 12,863,709

Development Impact Fees Special Revenue Fund reported interfund payable to the General Fund in the amount of \$170,028 to cover deficit cash. Grants Special Revenue Fund reported interfund payable to Capital Projects Fund for grant funding to be provided in the amount of \$5,569,735. Capital Projects Fund reported interfund payable to the General Fund in the amount of \$5,545,909 to cover expenditures not yet reimbursed by the grantors. Nonmajor governmental funds reported \$84,794 and \$1,493,243 interfund payable to General Fund and Capital Projects Fund, respectively, for short-term loans to cover deficit cash.

B. Advances To/From Other Funds

At June 30, 2021, the City had the following advances to/from other funds:

	Advance To Other Funds		
	General Fund	Debt Repayment	Total
Advance From Other Fund		Debt Service Fund	
Development Impact Fees			
Special Revenue Fund	\$ 5,514,403	\$ 10,922,417	\$ 16,436,820

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 Fees 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, 2021, principal amount outstanding was in the amount of \$1,038,106.

In addition to the advances from General Fund, \$10,922,417 was advanced to the Library Development Impact Special Revenue Fund for the construction of the library from Debt Repayment Debt Service Funds.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

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 Fees 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, 2021, principal amount outstanding was in the amount of \$67,631.

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 Fees Special Revenue Fund for the construction of the Permit Center and Senior Center in the amount of \$1,725,000 and \$299,679, respectively. During the year ended 2019, the City Council approved additional interfund loan from the General Fund to the Development Impact Special Revenue Fund for the construction of the Permit Center and Senior Center in the amount of \$311,000 and \$2,148,293, respectively. During the year ended June 30, 2020, the City Council approved additional interfund loan from the General Fund to the Development Impact Special Revenue Fund for the construction of the Permit Center in the amount of \$200,000. 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, 2021, principal amount outstanding and accrued interest added to the advances were in the amounts of \$4,275,141 and \$133,525, respectively.

C. Transfers

During the year ended June 30, 2021, the City had the following transfers:

	Transfers in				
	General	Capital Projects	Debt Repayment	Nonmajor	
Transfers out	Fund	Fund	Debt Service	Governmental	Total
General Fund	\$ -	\$ 306,635	\$ 715,389	\$ 1,627,138	\$ 2,649,162
Development Impact Fees					
Special Revenue Fund	-	147,267	-	-	147,267
Grants Revenue Fund	-	5,559,713	-	-	5,559,713
Nonmajor Governmental Funds	2,458,471	2,322,415	356,400	-	5,137,286
Water Authority Enterprise Fund	759,279	-	-	-	759,279
Sanitary District Enterprise Fund	941,259	-	-	-	941,259
Total	\$ 4,159,009	\$ 8,336,030	\$ 1,071,789	\$ 1,627,138	\$ 15,193,966

Transfers from the nonmajor governmental funds to General Fund in the amount of \$2,458,471 were mainly to provide funding for street maintenance and public safety costs.

Transfers from Water Authority Enterprise Fund and Sanitary District Enterprise Fund to General Fund were to provide funding for administrative expenses.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 3 – Interfund Transactions (Continued)

C. Transfers (Continued)

Transfers from General Fund to Capital Projects Fund in the amount of \$306,635 were for the Bagdouma Park-pool rehab project.

Transfers from Development Impact Fees Special Revenue Fund to Capital Projects Fund in the amount of \$147,267 were for the construction of streets and related transportation infrastructure projects.

Transfers from Grants Special Revenue Fund and nonmajor governmental funds to Capital Projects Fund were to provide funding for street and other capital projects.

Transfer from General Fund and nonmajor governmental funds to Debt Repayment Debt Service Fund in the amounts of \$715,389 and \$356,400, respectively was to provide funding for repayment of the pension obligation and lease revenue bonds respectively.

Transfers from General Fund to nonmajor governmental funds were to cover public safety costs incurred by the Fire Protection District in the amount of \$1,546,239 and by the Community Facilities District for Police Services in the amount of \$80,899.

Note 4 – Deferred Special Assessment Receivable

To facilitate the construction of low income housing, the City entered into a prepayment agreement with a local developer to defer police and fire services assessments through the City's Public Safety CFD 2005-1. The agreement with the developer stipulates that the developer can defer police and fire service assessments if the low income housing development does not produce sufficient revenue to cover the annual assessments. The agreement allows for assessment deferrals for up to 55 years at which time the full deferral balance is due and payable to the City. The maximum deferral amount is \$4,272,000 and the agreement include provisions for the accrual of 3% interest on any deferred balance. If the project is sold or transferred the deferred amount is required to be paid in full to satisfy the lien placed on the property by the City. No assessment payments were made during the current fiscal year and the ending balance owed was \$287,670 (\$8,379 accrued interest, \$279,291 deferred assessments) at June 30, 2021.

Note 5 – 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, 2021 was \$4,238,521.

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, 2021 was \$952,811.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 6 – Capital Assets

The summary of changes in capital assets for the governmental activities for the year ended June 30, 2021 is as follows:

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
<i>Capital assets not being depreciated:</i>				
Land	\$ 17,364,048	\$ -	\$ -	\$ 17,364,048
Construction in progress	9,863,236	8,391,347	(2,269,188)	15,985,395
Total capital assets not being depreciated	<u>27,227,284</u>	<u>8,391,347</u>	<u>(2,269,188)</u>	<u>33,349,443</u>
<i>Capital assets being depreciated:</i>				
Buildings	27,402,677	-	-	27,402,677
Machinery and equipment	7,556,979	43,931	(5,017,661)	2,583,249
Infrastructure	220,941,705	-	-	220,941,705
Total capital assets being depreciated	<u>255,901,361</u>	<u>43,931</u>	<u>(5,017,661)</u>	<u>250,927,631</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(5,553,130)	(815,985)	-	(6,369,115)
Machinery and equipment	(7,003,867)	(178,110)	5,017,661	(2,164,316)
Infrastructure	(75,524,174)	(5,401,500)	-	(80,925,674)
Total accumulated depreciation	<u>(88,081,171)</u>	<u>(6,395,595)</u>	<u>5,017,661</u>	<u>(89,459,105)</u>
Total capital assets being depreciated, net	<u>167,820,190</u>	<u>(6,351,664)</u>	<u>-</u>	<u>161,468,526</u>
Total governmental activities	<u><u>\$ 195,047,474</u></u>	<u><u>\$ 2,039,683</u></u>	<u><u>\$ (2,269,188)</u></u>	<u><u>\$ 194,817,969</u></u>

The construction in progress deletions resulted from projects that did not meet the requirements for capitalization.

Depreciation expense was charged to the governmental activities as follows:

General government	\$ 960,056
Public safety - fire	34,039
Public works	4,591,384
Public works - parks and recreation	810,116
Total depreciation expense	<u><u>\$ 6,395,595</u></u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 6 – Capital Assets (Continued)

The summary of changes in capital assets for the business-type activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<i>Capital assets not being depreciated:</i>				
Land	\$ 887,772	\$ -	\$ -	\$ 887,772
Construction in progress	717,677	49,246	(37,303)	729,620
Total capital assets not being depreciated	1,605,449	49,246	(37,303)	1,617,392
<i>Capital assets being depreciated:</i>				
Buildings	1,221,306	-	-	1,221,306
Machinery and equipment	12,202,797	120,050	(109,409)	12,213,438
Infrastructure	109,259,359	-	(851,310)	108,408,049
Total capital assets being depreciated	122,683,462	120,050	(960,719)	121,842,793
<i>Less accumulated depreciation for:</i>				
Buildings	(690,903)	(27,426)	-	(718,329)
Machinery and equipment	(11,138,977)	(152,655)	109,409	(11,182,223)
Infrastructure	(53,146,235)	(2,309,430)	851,310	(54,604,355)
Total accumulated depreciation	(64,976,115)	(2,489,511)	960,719	(66,504,907)
Total capital assets being depreciated, net	57,707,347	(2,369,461)	-	55,337,886
Total business-type activities	\$ 59,312,796	\$ (2,320,215)	\$ (37,303)	\$ 56,955,278

The construction in progress deletions were due to a project that was not completed due to changing needs.

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

Water	\$ 1,095,093
Sanitary	1,394,418
Total depreciation expense	\$ 2,489,511

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in more than One Year
Loans payable	\$ 974,951	\$ -	\$ (68,769)	\$ 906,182	\$ 71,570	\$ 834,612
Pension Obligation Bonds Series 2020	-	12,569,574	-	12,569,574	714,587	11,854,987
Revenue Bonds:						
2016 Lease Revenue Bonds	11,005,000	-	(280,000)	10,725,000	290,000	10,435,000
2016 Bond premium	211,037	-	(8,117)	202,920	-	202,920
Gas Tax Revenue Refunding Bonds						
Series 2019	4,535,000	-	(175,000)	4,360,000	185,000	4,175,000
2019 Bond premium	666,916	-	(39,039)	627,877	-	627,877
Total revenue bonds	16,417,953	-	(502,156)	15,915,797	475,000	15,440,797
Compensated absences	605,736	399,488	(432,765)	572,459	432,608	139,851
Claims payable	380,618	25,805	(333,082)	73,341	73,341	-
Net pension liability	11,987,625	5,422,562	(4,536,208)	12,873,979	-	12,873,979
Net OPEB liability	3,172,741	348,028	(46,639)	3,474,130	-	3,474,130
Total	\$ 33,539,624	\$ 18,765,457	\$ (5,919,619)	\$ 46,385,462	\$ 1,767,106	\$ 44,618,356

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 and Interest are payable in monthly installments of \$8,876, commencing December 1, 2016 through November 1, 2031. The outstanding balance of the loan at June 30, 2021 was in the amount of \$906,182.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 71,570	\$ 34,945	\$ 106,515
2023	74,486	32,029	106,515
2024	77,521	28,994	106,515
2025	80,679	25,836	106,515
2026	83,966	22,549	106,515
2027-2031	474,020	58,566	532,586
2032	43,940	440	44,380
Total	\$ 906,182	\$ 203,359	\$ 1,109,541

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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, 2021 was in the amount of \$10,725,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 290,000	\$ 320,931	\$ 610,931
2023	300,000	309,331	609,331
2024	315,000	297,331	612,331
2025	325,000	284,731	609,731
2026	340,000	271,731	611,731
2027-2031	1,860,000	1,188,269	3,048,269
2032-2036	2,100,000	954,625	3,054,625
2037-2041	2,405,000	642,150	3,047,150
2042-2046	2,790,000	256,050	3,046,050
Total	<u>\$ 10,725,000</u>	<u>\$ 4,525,149</u>	<u>\$ 15,250,149</u>

Gas Tax Revenue Refunding Bonds, Series 2019

On October 1, 2019 the City of Coachella issued \$4,775,000 Gas Tax Revenue Refunding Bonds, Series 2019 to current refund 2008 Certificates of Participation. Interest is payable June 1 and December 1 of each year. Interest accrues at rates carrying from 3.00% to 4.00% per annum. Principal is payable in annual installments ranging from \$175,000 to \$345,000 commencing June 1, 2019 through June 1, 2038. The outstanding balance of the 2019 Gas Tax Revenue Refunding Bonds, Series 2019 at June 30, 2021 was in the amount of \$4,360,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 185,000	\$ 174,400	\$ 359,400
2023	190,000	167,000	357,000
2024	195,000	159,400	354,400
2025	205,000	151,600	356,600
2026	215,000	143,400	358,400
2027-2031	1,210,000	580,600	1,790,600
2032-2036	1,485,000	317,800	1,802,800
2037-2038	675,000	40,800	715,800
Total	<u>\$ 4,360,000</u>	<u>\$ 1,735,000</u>	<u>\$ 6,095,000</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Pension Obligation Bonds – Series 2020

On December 1, 2020 the City of Coachella issued \$17,590,000 Taxable Pension Obligation Bonds, Series 2020 to pay down the City’s currently unamortized, unfunded accrued liability to the California Public Employees’ Retirement System “CalPERS” for the benefit of the City’s employees. Interest is payable January 1 and July 1 of each year. Interest accrues at rates carrying from 1.017% to 3.234% per annum. Principal is payable in annual installments ranging from \$1,000,000 to \$1,400,000 commencing July 1, 2021 through July 1, 2035. The liability was allocated between the governmental activities and business-type activities.

The annual principal requirements for the governmental activities and the business-type activities to amortize the outstanding Pension obligation Bonds, Series 2020 are as follows:

Year ending June 30,	Governmental Activities			Business-Activities Water Authority		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 714,587	\$ 303,064	\$ 1,017,651	\$ 135,891	\$ 57,633	\$ 193,524
2023	739,596	277,067	1,016,663	140,648	52,689	193,337
2024	750,316	268,541	1,018,857	142,686	51,068	193,754
2025	761,035	258,693	1,019,728	144,724	49,195	193,919
2026	771,753	247,315	1,019,068	146,763	47,031	193,794
2027-2031	4,116,017	979,933	5,095,950	782,734	186,352	969,086
2032-2036	4,716,270	375,783	5,092,053	896,882	71,462	968,344
Total	<u>\$ 12,569,574</u>	<u>\$ 2,710,396</u>	<u>\$ 15,279,970</u>	<u>\$ 2,390,328</u>	<u>\$ 515,430</u>	<u>\$ 2,905,758</u>

Year ending June 30,	Business-Activities Sanitary District			Total		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 149,522	\$ 63,414	\$ 212,936	\$ 1,000,000	\$ 424,111	\$ 1,424,111
2023	154,756	57,974	212,730	1,035,000	387,730	1,422,730
2024	156,998	56,190	213,188	1,050,000	375,799	1,425,799
2025	159,241	54,130	213,371	1,065,000	362,018	1,427,018
2026	161,484	51,749	213,233	1,080,000	346,095	1,426,095
2027-2031	861,249	205,045	1,066,294	5,760,000	1,371,330	7,131,330
2032-2036	986,848	78,630	1,065,478	6,600,000	525,875	7,125,875
Total	<u>\$ 2,630,098</u>	<u>\$ 567,132</u>	<u>\$ 3,197,230</u>	<u>\$ 17,590,000</u>	<u>\$ 3,792,958</u>	<u>\$ 21,382,958</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities

Summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in more than One Year
Loans payable	\$ 12,151,239	\$ -	\$ (1,338,751)	\$ 10,812,488	\$ 1,373,278	\$ 9,439,210
Pension Obligation Bonds Series 2020- Water	-	2,390,328	-	2,390,328	135,891	2,254,437
Pension Obligation Bonds Series 2020- Sanitary	-	2,630,098	-	2,630,098	149,522	2,480,576
Revenue bonds:						
2005B Wastewater	4,064,217	-	(89,572)	3,974,645	93,305	3,881,340
2015A Wastewater	3,490,000	-	(170,000)	3,320,000	175,000	3,145,000
2008 Water (USDA)	4,338,072	-	(77,094)	4,260,978	80,467	4,180,511
2012 Water Revenue	7,495,000	-	(455,000)	7,040,000	470,000	6,570,000
Bonds premium	619,320	-	(46,394)	572,926	-	572,926
Total revenue bonds	20,006,609	-	(838,060)	19,168,549	818,772	18,349,777
Compensated absences	323,288	299,789	(217,815)	405,262	308,801	96,461
Net pension liability	4,906,468	2,353,574	(2,014,490)	5,245,552	-	5,245,552
Net OPEB liability	2,176,931	232,807	(75,624)	2,334,114	-	2,334,114
Total	\$ 39,564,535	\$ 7,906,596	\$ (4,484,740)	\$ 42,986,391	\$ 2,786,264	\$ 40,200,127

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, 2021 was in the amount of \$8,346,882.

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, 2021 was in the amount of \$2,465,606.

Total outstanding balance for the loans payable was in the amount of \$10,812,488.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Loans Payable (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 1,373,278	\$ 250,655	\$ 1,623,933
2023	1,403,483	219,025	1,622,508
2024	1,434,383	186,700	1,621,083
2025	1,465,994	153,545	1,619,539
2026	1,503,331	119,782	1,623,113
2027-2031	1,811,413	274,621	2,086,034
2031-2036	385,000	198,266	583,266
2037-2041	430,000	150,647	580,647
2042-2046	485,000	96,735	581,735
2047-2051	520,606	36,528	557,134
Total	<u>\$ 10,812,488</u>	<u>\$ 1,686,504</u>	<u>\$ 12,498,992</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, 2021 was in the amount of \$3,974,645.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 93,305	\$ 162,030	\$ 255,335
2023	97,194	158,101	255,295
2024	101,244	154,008	255,252
2025	105,464	149,745	255,209
2026	109,859	145,303	255,162
2027-2031	621,909	653,147	1,275,056
2032-2036	762,761	510,827	1,273,588
2037-2041	935,514	336,274	1,271,788
2041-2046	1,147,395	122,187	1,269,582
Total	<u>\$ 3,974,645</u>	<u>\$ 2,391,622</u>	<u>\$ 6,366,267</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2015 Wastewater Revenue Refunding Bonds, Series A

On October 15, 2015, the Sanitary District issued \$4,260,000 Wastewater Revenue Refunding Bonds, Series 2015A Interest on the bonds is payable April 1 and October 1 of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$135,000 to \$295,000, commencing April 1, 2016 through April 1, 2035. Concurrently with the issuance of the bonds, a surety policy was purchased in lieu of maintaining a reserve balance. The Sanitary District, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2021, 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, 2021 was in the amount of \$3,320,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 175,000	\$ 130,175	\$ 305,175
2023	185,000	121,425	306,425
2024	195,000	112,175	307,175
2025	205,000	102,425	307,425
2026	215,000	92,175	307,175
2027-2031	1,220,000	310,813	1,530,813
2032-2035	1,125,000	95,332	1,220,332
Total	<u>\$ 3,320,000</u>	<u>\$ 964,520</u>	<u>\$ 4,284,520</u>

2008 Water Revenue (USDA) Bonds

On July 16, 2008, the Water Authority issued \$5,000,000 Water Revenue Bonds (USDA), Series 2008 to finance on-going capital improvements to the water enterprise. Interest is payable January 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, 2021 was in the amount of \$4,260,978.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 80,467	\$ 184,658	\$ 265,125
2023	83,988	181,060	265,048
2024	87,662	177,305	264,967
2025	91,497	173,386	264,883
2026	95,500	169,296	264,796
2027-2031	543,952	778,574	1,322,526
2032-2036	673,818	645,867	1,319,685
2037-2041	834,690	481,476	1,316,166
2042-2046	1,033,970	277,838	1,311,808
2047-2049	735,434	49,183	784,617
Total	<u>\$ 4,260,978</u>	<u>\$ 3,118,643</u>	<u>\$ 7,379,621</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2012 Water Revenue Refunding Bonds

On December 13, 2012, the Water Authority issued \$10,435,000 Water Revenue Refunding Bonds, Series 2012 to current refund the outstanding amount of the 2003 Water Revenue Bonds and to finance on-going capital improvements to the water system. Interest on the bonds is payable February 1 and August 1 of each year at rates varying from 2.00% to 5.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$395,000 to \$3,350,000, commencing August 1, 2013 through August 1, 2032. Concurrently with the issuance of the bonds, a surety policy was purchased in lieu of maintaining a reserve balance. The Water Authority, with the issuance of the bonds, entered into a rate covenant agreement. For the year ended June 30, 2021, 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, 2021 was in the amount of \$7,040,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 470,000	\$ 287,175	\$ 757,175
2023	490,000	275,688	765,688
2024	510,000	213,388	723,388
2025	530,000	145,888	675,888
2026	545,000	131,106	676,106
2027-2031	3,055,000	447,456	3,502,456
2032-2033	1,440,000	58,600	1,498,600
Total	<u>\$ 7,040,000</u>	<u>\$ 1,559,301</u>	<u>\$ 8,599,301</u>

Pension Obligation Bonds, Series 2020 – Water Authority

See Note 7 A for disclosure.

Pension Obligation Bonds, Series 2020- Sanitary District

See Note 7 A for disclosure.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

C. Fiduciary Activities

Summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in more than One Year
2013 Tax Allocation Bonds	\$ 3,010,000	\$ -	\$ (290,000)	\$ 2,720,000	\$ 305,000	\$ 2,415,000
2014 Tax Allocation Bonds	8,095,000	-	(240,000)	7,855,000	395,000	7,460,000
2016 Tax Allocation Bonds, Series A	12,620,000	-	(605,000)	12,015,000	630,000	11,385,000
2016A Bond premium	1,633,486	-	(100,521)	1,532,965	-	1,532,965
2016 Tax Allocation Bonds, Series B	8,075,000	-	(420,000)	7,655,000	425,000	7,230,000
2016B Bond discount	(59,087)	-	3,636	(55,451)	-	(55,451)
Total	\$ 33,374,399	\$ -	\$ (1,651,885)	\$ 31,722,514	\$ 1,755,000	\$ 29,967,514

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, 2021 was in the amount of \$2,720,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 305,000	\$ 98,312	\$ 403,312
2023	310,000	88,700	398,700
2024	320,000	78,063	398,063
2025	330,000	66,275	396,275
2026	340,000	53,288	393,288
2027-2028	1,115,000	71,694	1,186,694
Total	\$ 2,720,000	\$ 456,332	\$ 3,176,332

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, 2021 was in the amount of \$7,855,000.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – 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
2022	\$ 395,000	\$ 305,387	\$ 700,387
2023	420,000	285,013	705,013
2024	440,000	269,563	709,563
2025	560,000	250,613	810,613
2026	585,000	221,988	806,988
2027-2031	3,375,000	683,919	4,058,919
2032-2035	2,080,000	135,578	2,215,578
Total	<u>\$ 7,855,000</u>	<u>\$ 2,152,061</u>	<u>\$ 10,007,061</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, 2021 were in the amounts of \$12,015,000 and \$7,655,000, respectively.

The future debt service requirement is as follows:

Year ending June 30,	Series A		Series B		Total
	Principal	Interest	Principal	Interest	
2022	\$ 630,000	\$ 510,600	\$ 425,000	\$ 261,872	\$ 1,827,472
2023	665,000	478,225	430,000	251,181	1,824,406
2024	700,000	447,600	450,000	239,350	1,836,950
2025	595,000	418,725	480,000	225,963	1,719,688
2026	630,000	388,100	490,000	211,106	1,719,206
2027-2031	4,470,000	1,383,500	2,915,000	774,269	9,542,769
2032-2036	3,380,000	364,350	2,130,000	243,831	6,118,181
2037	945,000	14,175	335,000	6,700	1,300,875
Total	<u>\$ 12,015,000</u>	<u>\$ 4,005,275</u>	<u>\$ 7,655,000</u>	<u>\$ 2,214,272</u>	<u>\$ 25,889,547</u>

Pledged Future Revenues

The City pledged future tax revenues associated with its bond issuances for Series 2013, 2014, 2016A and 2016B. This comprises all of the debt issued in tax allocation debt in this note above. These debt issuances and pledged tax revenues are reported in the fiduciary funds. The pledged tax revenues are to be used solely for the repayment of principal and interest on the bonds until they are paid in full through 2037 and are not available for other purposes during the duration that the bonds are outstanding which are pledged for the respective bonds. The pledged tax revenues totaled \$3,231,442 for the year ended June 30, 2021. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2021 were \$1,555,000 and \$1,239,207, respectively. The total principal and interest remaining is approximately \$39,072,940 with annual payments expected to require 100% of pledged tax revenues.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

D. Non-City Obligation Debt

The City of Coachella Community Facilities District No. 2018-1 (the “District”) issued City of Coachella (Glenroy) Special Tax Bonds, Series 2018 on August 1, 2018 in the amount of \$5,745,000. The bond proceeds will be used to: (i) finance the acquisition of certain public improvements needed with respect to the development of property located within the District, including public improvements to be owned by the City of Coachella and sewer facilities to be owned and operated by the Coachella Sanitary District; (ii) fund a reserve account for the Bonds; (iii) fund capitalized interest on the Bonds through September 1, 2018; and (iv) pay costs of issuance of the Bonds. The outstanding balance at June 30, 2021 was \$5,615,000.

Note 8 – Compensated Absences

For governmental activities and business-type activities, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$572,459 and \$405,262, respectively, at June 30, 2021. The City has estimated that for the governmental activities that \$432,608 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 \$308,801 is to be paid within the next fiscal year and therefore have considered this amount to be the current portion of the liabilities.

The long-term portion of compensated absences payable has been accrued for the Governmental Activities on the Government-Wide Financial Statements. In prior years, the General Fund has typically been used to liquidate the liability. All vested vacation and compensatory leave time is recognized as an expense and as a liability in the business-type funds at the time the liability vests. The Water Authority and the Sanitary District Enterprise funds have been used to liquidate the liability. There is no fixed payment schedule to pay these liabilities.

Note 9 – 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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 9 – Risk Management (Continued)

During the past three fiscal (policy) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured coverage from the prior year. Complete financial statement may be obtained from the Public Entity Risk Management Authority at 36-951 Cook Street, Suite 101, Palm Desert, CA 92211.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At June 30, 2021, the amount of these liabilities was \$73,341. 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
2018-2019	\$ 620,695	\$ 128,307	\$ (387,423)	\$ 361,579
2019-2020	361,579	64,762	(45,723)	380,618
2020-2021	380,618	25,805	(333,082)	73,341

Note 10 – Pensions

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, 2019, the following employees were covered by the benefit terms:

	Miscellaneous	Misc Second Tier	Misc PEPR	Safety
Active employees	44	5	26	-
Transferred and terminated employees	23	2	3	21
Separated	18	3	3	-
Retired Employees and Beneficiaries	108	-	-	83
Total	193	10	32	104

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 10 – Pensions (Continued)

A. General Information About the Pension Plan (Continued)

Benefit Provided

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

Following are the benefit provisions for each plan:

	Cost-Sharing Rate Plans			
	Miscellaneous Rate Plan*	Miscellaneous Second Tier Rate Plan*	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 7.15 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, 2021

Note 10 – Pensions (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, 2020 (the measurement date), the contribution rates were as follows:

	Cost-sharing Rate Plans			
	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	14.398%	8.081%	6.985%	0.000%

* Closed to new entrants

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 valuation was rolled forward to determine June 30, 2020 total pension liability based on the following actuarial methods and assumptions:

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

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumption

There were no changes in assumptions.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 10 – Pensions (Continued)

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

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

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

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

²An expected inflation of 2.00% used for this period

³An expected inflation of 2.92% used for this period.

Discount Rate

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

Liquidating Net Pension Liability

The pension liabilities are liquidated principally by all the funds.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 10 – Pensions (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 20,129,369	\$ 12,605,131	\$ 6,388,089
Safety	\$ 8,300,054	\$ 5,514,400	\$ 3,228,507

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)
Miscellaneous			
Balance at: 6/30/19 (Valuation date)	\$ 48,415,233	\$ 36,698,077	\$ 11,717,156
Balance at: 6/30/20 (Measurement date)	50,421,074	37,815,943	12,605,131
Net Changes during 2019-20	2,005,841	1,117,866	887,975
Safety			
Balance at: 6/30/19 (Valuation date)	\$ 16,669,795	\$ 11,492,858	\$ 5,176,937
Balance at: 6/30/20 (Measurement date)	16,710,835	11,196,435	5,514,400
Net Changes during 2019-20	41,040	(296,423)	337,463

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, 2019). 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, 2021

Note 10 – Pensions (Continued)

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

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

- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2020). 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, 2020 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2019-2020).
- (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 net pension liability during measurement period.

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

	<u>Miscellaneous</u>	<u>Safety</u>
June 30, 2019	0.11434%	0.05052%
June 30, 2020	0.11585%	0.05068%
Change - Increase (Decrease)	<u>0.00151%</u>	<u>0.00016%</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 2019-2020 measurement period is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (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, 2021

Note 10 – Pensions (Continued)

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

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

At June 30, 2021, 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	\$ 13,817,587	\$ -	\$ 5,534,871	\$ -
Changes of assumptions	-	(89,905)	-	(18,368)
Difference between expected and actual experience	649,581	-	427,615	-
Difference between projected and actual earning on pension plan investments	374,455	-	119,853	-
Adjustment due to differences in proportions	250,734	(29,051)	8,624	(4,682)
Difference between City contributions and proportionate share of contributions	-	(223,135)	-	(252,770)
Total	<u>\$ 15,092,357</u>	<u>\$ (342,091)</u>	<u>\$ 6,090,963</u>	<u>\$ (275,820)</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 collective net pension liability in the year ending June 30, 2022.

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 Ending June 30,	Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous	Safety
2021	\$ 111,705	\$ (8,565)
2022	358,103	119,565
2023	283,270	109,218
2024	179,601	60,054
2025	-	-
Thereafter	-	-
	<u>\$ 932,679</u>	<u>\$ 280,272</u>

For the year ended June 30, 2021, the City recognized pension expense as follows:

Miscellaneous	Safety	Total
<u>\$ 2,239,966</u>	<u>\$ 563,611</u>	<u>\$ 2,803,577</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 11 – Other Postemployment Benefits (“OPEB”) Plan

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”).

The plan is administrated by the City. The plan does not issue a standalone financial report and the plan is not provided through a trust and no assets are held in trust to offset plan liabilities.

Benefits Provided

The City contributes 100% of medical premium up to a capped dollar amount. For 2021, the monthly dollar caps were \$257 for management and elected officials and \$257 for mid-management, sanitary and miscellaneous employees. Future Retirees are eligible for PEMCHA minimum medical benefits (\$139 per month in 2020 and 2021, respectively) 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	74
Inactive currently receiving benefit	22
Inactive entitled to but not yet receiving benefit payments	24
Total	<u><u>120</u></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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 11 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

B. Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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	2.16% at June 30, 2021 (Bond buyer 20-Bond Index)
	2.21% at June 30, 2020 (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-2019
Salary increases	Aggregate - 3.00% per annum
	Merit - Tables from CalPERS 1997-2015 Experience Study
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to ultimate rate of 4.0% in 2076 and later years
	Medicare - 6.3% for 2021, 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 2.16% and 2.21% at June 30, 2021 and 2020, 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.

Liquidating OPEB Liability

The OPEB liabilities are liquidated principally by the General Fund.

C. Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2020	\$ 5,349,672	\$ -	\$ 5,349,672
Changes during the measurement period:			
Service cost	407,072	-	407,072
Interest	125,878	-	125,878
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	47,464	-	47,464
Employer contribution	-	122,263	(122,263)
Benefit payments	(121,842)	(121,842)	-
Administrative expenses	-	(421)	421
Net changes during measurement period 2020-21	458,572	-	458,572
Balances as of June 30, 2021 (Measurement Date)	\$ 5,808,244	\$ -	\$ 5,808,244

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 11 – 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 (1.16%) or one percentage point higher (3.16%) follows:

Net OPEB Liability		
Discount Rate - 1% (1.16%)	Current Discount Rate (2.16%)	Discount Rate + 1% (3.16%)
\$ 6,896,168	\$ 5,808,244	\$ 4,960,581

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
\$ 5,023,365	\$ 5,808,244	\$ 6,934,583

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

For the year ended June 30, 2021, the City recognized an OPEB expense of \$633,497. At June 30, 2021, 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	\$ 940,743	\$ (94,126)
Difference between expected and actual experience	-	(100,086)
Total	\$ 940,743	\$ (194,212)

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

Measurement Period Ending June 30,	Deferred Inflows of Resources
2022	\$ 100,126
2023	100,126
2024	100,126
2025	100,126
2026	100,126
Thereafter	245,901
	<u>\$ 746,531</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 12 – Classification of Fund Balances

At June 30, 2021, fund balances are classified in the governmental funds as follows:

		Special Revenue Funds		Capital	Debt	Nonmajor	
	General	Development	Grants	Projects	Repayment	Governmental	Total
	Fund	Impact Fees		Fund	Debt Service Fund	Funds	
Nonspendable:							
Prepaid items	\$ 1,955,534	\$ -	\$ -	\$ -	\$ 60,994	\$ -	\$ 2,016,528
Advance to other fund	5,514,403	-	-	-	-	-	5,514,403
Total nonspendable	7,469,937	-	-	-	60,994	-	7,530,931
Restricted:							
Low income housing	-	-	-	-	-	6,121,154	6,121,154
Highway and streets	-	-	-	-	-	3,514,762	3,514,762
Capital projects	-	-	-	180,789	-	-	180,789
Public facilities - general government	-	-	-	-	-	64,664	64,664
Pension Obligation	-	-	-	-	877,144	-	877,144
Debt service	-	-	-	-	10,922,587	-	10,922,587
Total restricted	-	-	-	180,789	11,799,731	9,700,580	21,681,100
Committed as per fiscal reserve policy	6,701,122	-	-	-	-	-	6,701,122
Assigned for:							
Sales TOT uncertainty	1,500,000	-	-	-	-	-	1,500,000
Software upgrade	600,000	-	-	-	-	-	600,000
Reorganization staffing	600,000	-	-	-	-	-	600,000
UAL policy	1,400,000	-	-	-	-	-	1,400,000
Ave 50 widening	500,000	-	-	-	-	-	500,000
Total assigned	4,600,000	-	-	-	-	-	4,600,000
Unassigned (deficit)	3,109,913	(15,808,342)	(4,660,526)	-	-	-	(17,358,955)
Total fund balances	\$ 21,880,972	\$ (15,808,342)	\$ (4,660,526)	\$ 180,789	\$ 11,860,725	\$ 9,700,580	\$ 23,154,198

Note 13 – Commitments and Contingencies

Desert Valleys Builders Association

Desert Valleys Builders Association (“DVBA”) has filed a lawsuit against the City based on alleged violations of the Mitigation Fee Act. DVBA seeks to compel an audit of the City’s development impact fees and potentially adjust its fees, not a specific amount of damages. At this time, it is too early to evaluate the likelihood of an unfavorable outcome or the range of loss to be reported.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2021

Note 14 – Individual Fund Disclosure

A. Expenditures in Excess of Appropriation

The following functions report expenditures in excess of appropriations for the year ended June 30, 2021.

	<u>Expenditure</u>	<u>Appropriation</u>	<u>Expenditure in Excess of Appropriation</u>
General Fund:			
General government	\$ 6,570,545	\$ 6,544,185	\$ (26,360)
Community development - building	347,927	269,943	(77,984)
Development Impact Fees Special Revenue Fund:			
General government	32,329	-	(32,329)
Public works	1,092,354	523,250	(569,104)
Debt Repayment Debt Service Fund			
Debt service:			
Interest and fiscal charges	793,651	793,073	(578)
Nonmajor Governmental Funds:			
Air Quality Improvement Special Revenue Fund:			
Public works	46,211	44,393	(1,818)
Local Transportation Special Revenue Fund			
Public works	552	-	(552)
State Gas Tax Special Revenue Fund:			
Public works	1,508	-	(1,508)
Community Fire Protection District - Police Service			
General government	6,049	5,000	(1,049)

B. Deficit Net Positions and Fund Balances

Funds with deficit fund balances and net position at June 30, 2021 are as follows:

	<u>Deficit</u>
Development Impact Fees Special Revenue Fund	\$ (15,808,342)
Grants Special Revenue Fund	(4,660,526)
Successor Agency Private-Purpose Trust Fund	(29,819,244)

The deficit fund balance for Development Impact Special Revenue Fund will be eliminated through future development impact fee revenues. The deficit fund balances for Grants 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, 2021

Note 15 – Prior Period Adjustments

A. Governmental Funds

The beginning net position fund balance for Development Impact Fees Funds and Fire Protection District were restated as a result of reallocating revenues between funds to correct previous fee coding errors.

	Development Impact Fees	Fire Protection District
Beginning fund balances, as previously reported	\$ (18,233,975)	\$ 16,380
Reallocating revenues correctly between funds	138,587	(138,587)
Beginning fund balances, as restated	<u>\$ (18,095,388)</u>	<u>\$ (122,207)</u>

B. Fiduciary Funds

The beginning net position was restated as a result of correcting unrealized gain/loss on investment previously recorded as revenue, and change of classification between liability and net position as follows:

	Fiduciary Funds	
	Flood Control Capital Facilities	Total Custodial Funds
Beginning net position, as previously reported	\$ 599,508	\$ 1,865,825
Unrealized gain/loss on investment correction	25,603	25,603
Funds held for specific project classified net position	1,696,777	1,696,777
Beginning net position, as restated	<u>\$ 2,321,888</u>	<u>\$ 3,588,205</u>

Note 16 – Subsequent Events

On Jan 6, 2022 (date of close of Escrow), the City sold a piece of property to a developer- DR Horton (project Colonia II) for \$3,870,000. Part of proceeds were allocated to repay the Park Land Development Impact Fees fund (Fund 120).

In March 2022, the Water Authority issued 2022 Water Revenue Refunding Bonds, Series A to (a) current refund 2008 Water Revenue Bonds (USDA), (b) finance certain improvements to the Water Enterprise, (c) purchase a reserve surety to be deposited into the Reserve Account (d) purchase a municipal bond insurance policy, and (e) pay the costs of issuance of the 2022A Bonds. Interest is payable in August and February of each year. Principal is payable in annual installments ranging from \$135,000 to \$255,000 from August 1, 2022 through August 1, 2048.

The Water Authority is in the process of issuing 2022 Water Revenue Refunding Bonds, Series B to (a) advance refund 2012 Water Revenue Refunding Bonds, (b) pay the costs of issuance of the 2022B Bonds, (c) purchase a reserve surety to be deposited into the reserve Account, and (d) purchase a municipal bond insurance policy. The 2022B Bonds is expected to be issued in May 2022.



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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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Taxes	\$ 17,230,516	\$ 18,449,516	\$ 23,357,280	\$ 4,907,764
Licenses, permits and fees	340,000	510,000	648,250	138,250
Charges for services	647,500	662,500	638,553	(23,947)
Fines, forfeitures and penalties	450,000	450,000	155,740	(294,260)
Intergovernmental	871,919	871,919	1,068,516	196,597
Investment income	60,000	60,000	85,955	25,955
Net increase (decrease) in the fair value of investments	-	-	(92,489)	(92,489)
Other revenue	405,000	405,000	662,921	257,921
Total revenues	20,004,935	21,408,935	26,524,726	5,115,791
EXPENDITURES:				
Current:				
General government	6,159,910	6,544,185	6,570,545	(26,360)
Public safety - police	10,051,043	10,051,043	9,734,830	316,213
Public safety - animal control	250,000	250,000	221,763	28,237
Community development	1,342,927	1,417,512	1,305,057	112,455
Community development - building	269,943	269,943	347,927	(77,984)
Engineering	858,752	1,003,752	985,678	18,074
Public works	1,757,242	1,757,242	1,605,381	151,861
Public works - Parks and recreation	2,037,899	2,037,899	1,953,369	84,530
Capital outlay	96,313	171,113	43,931	127,182
Total expenditures	22,824,029	23,502,689	22,768,481	734,208
Excess (deficiency) of revenues over expenditures	(2,819,094)	(2,093,754)	3,756,245	5,849,999
OTHER FINANCING SOURCES (USES):				
Transfers in	4,327,978	4,341,201	4,159,009	(182,192)
Transfers out	(2,421,109)	(3,094,509)	(2,649,162)	445,347
Total other financing sources (uses)	1,906,869	1,246,692	1,509,847	263,155
Net change in fund balance	\$ (912,225)	\$ (847,062)	5,266,092	\$ 6,113,154
FUND BALANCE:				
Beginning of year			16,614,880	
End of year			<u>\$ 21,880,972</u>	

City of Coachella
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Development Impact Fees Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Developer fees	\$ 4,059,106	\$ 4,059,106	\$ 3,716,801	\$ (342,305)
Investment income	5,700	5,700	845	(4,855)
Net increase (decrease) in the fair value of investments	-	-	(41,940)	(41,940)
Total revenues	<u>4,064,806</u>	<u>4,064,806</u>	<u>3,675,706</u>	<u>(389,100)</u>
EXPENDITURES:				
Current:				
General government	-	-	33,831	(33,831)
Public works	-	523,250	1,092,354	(569,104)
Debt service:				
Principal retirement	-	182,000	68,769	113,231
Interest and fiscal charges	-	66,000	46,439	19,561
Total expenditures	<u>-</u>	<u>771,250</u>	<u>1,241,393</u>	<u>(470,143)</u>
Excess (deficiency) of revenues over expenditures	<u>4,064,806</u>	<u>3,293,556</u>	<u>2,434,313</u>	<u>(859,243)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,327,978	4,341,201	-	(4,341,201)
Transfers out	(1,295,099)	(2,895,528)	(147,267)	2,748,261
Total other financing sources (uses)	<u>3,032,879</u>	<u>1,445,673</u>	<u>(147,267)</u>	<u>(1,592,940)</u>
Net change in fund balance	<u>\$ 7,097,685</u>	<u>\$ 4,739,229</u>	<u>2,287,046</u>	<u>\$ (2,452,183)</u>
FUND BALANCE:				
Beginning of year, as restated (Note 15)			(18,095,388)	
End of year			<u>\$ (15,808,342)</u>	

City of Coachella
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Grants Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 7,834,777	\$ 10,305,466	\$ 2,854,030	\$ (7,451,436)
Investment income	-	-	9,235	9,235
Total revenues	<u>7,834,777</u>	<u>10,305,466</u>	<u>2,863,265</u>	<u>(7,442,201)</u>
EXPENDITURES:				
Current:				
Community development	-	1,334,552	1,274,473	60,079
Public works	-	31,897	30,802	1,095
Total expenditures	<u>-</u>	<u>1,366,449</u>	<u>1,305,275</u>	<u>61,174</u>
Excess (deficiency) of revenues over expenditures	<u>7,834,777</u>	<u>8,939,017</u>	<u>1,557,990</u>	<u>(7,381,027)</u>
OTHER FINANCING (USES):				
Transfers out	(7,904,374)	(11,468,818)	(5,559,713)	5,909,105
Total other financing (uses)	<u>(7,904,374)</u>	<u>(11,468,818)</u>	<u>(5,559,713)</u>	<u>5,909,105</u>
Net change in fund balance	<u>\$ (69,597)</u>	<u>\$ (2,529,801)</u>	<u>(4,001,723)</u>	<u>\$ (1,471,922)</u>
FUND BALANCE:				
Beginning of year			(658,803)	
End of year			<u>\$ (4,660,526)</u>	



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City of Coachella
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2021

Budgetary Information

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

1. In May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1st. The operating budget includes proposed expenditures and the means 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 utilizes the fund level as budgetary control. The City Manager is authorized to transfer appropriated funds between major expenditure categories within the funds. However, any revisions that alter the total appropriations of any fund 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.
7. The City also budgets transfers in from special revenue funds to the General Fund to provide funding for expenditures incurred that meet the restricted purposes, or to capital projects funds to provide funding for capital projects.

The General Fund, Development Impact Fees Special Revenue Fund, and Grants Special Revenue Fund are major funds that have legally adopted budgets. The original budget, the final budget and actual amounts are presented in the Budgetary Comparison Schedules. Annual budgets are also adopted for the remaining special revenue funds and debt service funds, except for Road Maintenance - Dillon Road Special Revenue Fund, and Economic Improvement Special Revenue Fund.

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

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2021

Last Ten Fiscal Years

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

Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's Proportion of the Net Pension Liability	0.11585%	0.11435%	0.11244%	0.11295%	0.11192%
City's Proportionate Share of the Net Pension Liability	\$ 12,605,131	\$ 11,717,156	\$ 10,834,812	\$ 11,201,840	\$ 9,684,436
City's Covered Payroll	\$ 5,984,145	\$ 5,744,896	\$ 5,439,535	\$ 5,412,001	\$ 5,475,348
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>210.64%</u>	<u>203.96%</u>	<u>199.19%</u>	<u>206.98%</u>	<u>176.87%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>75.00%</u>	<u>75.80%</u>	<u>76.06%</u>	<u>73.32%</u>	<u>73.98%</u>

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

Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's Proportion of the Net Pension Liability	0.50680%	0.05052%	0.05062%	0.04873%	0.04951%
City's Proportionate Share of the Net Pension Liability	\$ 5,514,400	\$ 5,176,937	\$ 4,878,054	\$ 4,832,679	\$ 4,284,302
City's Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>67.00%</u>	<u>74.04%</u>	<u>70.09%</u>	<u>70.45%</u>	<u>72.32%</u>

¹Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2021

Last Ten Fiscal Years

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

Measurement Date	June 30, 2015	June 30, 2014 ¹
City's Proportion of the Net Pension Liability	0.10333%	0.11070%
City's Proportionate Share of the Net Pension Liability	\$ 7,092,438	\$ 6,717,707
City's Covered Payroll	\$ 5,166,649	\$ 5,043,461
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<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>79.89%</u>	<u>79.24%</u>

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

Measurement Date	June 30, 2015	June 30, 2014 ¹
City's Proportion of the Net Pension Liability	0.05250%	0.05262%
City's Proportionate Share of the Net Pension Liability	\$ 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>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>76.34%</u>	<u>79.34%</u>

¹Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2021

Last Ten Fiscal Years

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

Fiscal year	2020-21 ¹	2019-20	2018-19	2017-18	2016-17
Actuarially Determined Contribution	\$ 13,817,587	\$ 1,517,558	\$ 1,365,584	\$ 1,202,460	\$ 683,057
Contribution in Relation to the Actuarially Determined Contribution	(13,817,587)	(1,517,558)	(1,365,584)	(1,202,460)	(683,057)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ²	\$ 6,148,709	\$ 5,984,145	\$ 5,744,896	\$ 5,439,535	\$ 5,412,001
Contributions as a Percentage of Covered Payroll	224.72%	25.36%	23.77%	22.11%	12.62%

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

Fiscal year	2020-21 ¹	2019-20	2018-19	2017-18	2016-17
Actuarially Determined Contribution	\$ 5,534,871	\$ 432,948	\$ 305,215	\$ 241,940	\$ 195,192
Contribution in Relation to the Actuarially Determined Contribution	(5,534,871)	(432,948)	(305,215)	(241,940)	(195,192)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

¹ Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² Includes one year's payroll growth using 2.75 percent payroll assumption from fiscal year 2020 to 2021.

Notes to Schedule:

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

Changes of Assumptions: In 2020 and 2019, there were no changes in assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

N/A - Not applicable

City of Coachella
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2021

Last Ten Fiscal Years (Continued)

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

Fiscal year	2015-16	2014-15	2013-14 ¹
Actuarially Determined Contribution	\$ 628,259	\$ 609,352	\$ 852,591
Contribution in Relation to the Actuarially Determined Contribution	(628,259)	(609,352)	(852,591)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll ²	\$ 5,475,348	\$ 5,166,649	\$ 5,043,461
Contributions as a Percentage of Covered Payroll	11.47%	11.79%	16.90%

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

Fiscal year	2015-16	2014-15	2013-14 ¹
Actuarially Determined Contribution	\$ 162,021	\$ 340,965	\$ 298,027
Contribution in Relation to the Actuarially Determined Contribution	(162,021)	(340,965)	(298,027)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A

¹ Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² Includes one year's payroll growth using 2.75 percent payroll assumption from fiscal year 2020 to 2021.

Notes to Schedule:

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

Changes of Assumptions: In 2020 and 2019, there were no changes in assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

N/A - Not applicable

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, 2021

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018 ¹
Total OPEB liability				
Service cost	\$ 407,072	\$ 277,196	\$ 247,805	\$ 256,623
Interest	125,878	155,219	150,757	134,880
Differences between expected and actual experience	-	(127,508)	-	-
Changes of assumption	47,464	949,213	224,305	(162,582)
Benefit payments	(121,842)	(124,173)	(101,751)	(82,609)
Net change in total OPEB liability	458,572	1,129,947	521,116	146,312
Total OPEB liability, beginning	5,349,672	4,219,725	3,698,609	3,552,297
Total OPEB liability, ending (a)	\$ 5,808,244	\$ 5,349,672	\$ 4,219,725	\$ 3,698,609
OPEB fiduciary net position				
Employer contributions:	\$ 122,263	\$ 127,316	\$ 102,056	\$ 82,962
Net investment income	-	-	-	-
Benefit payments	(121,842)	(124,173)	(101,751)	(82,609)
Administrative expenses	(421)	(3,143)	(305)	(353)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-
Plan fiduciary net position, ending	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 5,808,244	\$ 5,349,672	\$ 4,219,725	\$ 3,698,609
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 7,478,117	\$ 6,957,280	\$ 6,775,511	\$ 6,428,796
Total OPEB liability as a percentage of covered employee payroll	77.67%	76.89%	62.28%	57.53%

¹ Historical information is presented for periods after GASB 75 implementation in fiscal year of 2017-18. Additional years of information will be displayed as it becomes available.

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2021

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2020-21	2019-20	2018-19	2017-18 ¹
Actuarially determined contribution ²	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the actuarially determined contribution	(122,263)	(127,316)	(102,056)	(82,962)
Contribution deficiency/(excess)	<u>\$ (122,263)</u>	<u>\$ (127,316)</u>	<u>\$ (102,056)</u>	<u>\$ (82,962)</u>
Covered employee payroll	<u>\$ 7,478,117</u>	<u>\$ 6,957,280</u>	<u>\$ 6,775,511</u>	<u>\$ 6,428,796</u>
Contributions as a percentage of covered employee payroll	<u>1.63%</u>	<u>1.83%</u>	<u>1.51%</u>	<u>1.29%</u>

¹ Historical information is presented for periods after GASB 75 implementation in fiscal year of 2017-18. Additional years of information will be displayed as it becomes available.

² There is no actuarially determined contribution.



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SUPPLEMENTARY INFORMATION



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City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Other revenue	\$ -	\$ -	\$ 55,317	\$ 55,317
Total revenues	-	-	55,317	55,317
EXPENDITURES:				
Capital outlay	14,493,654	21,427,163	8,391,347	13,035,816
Total expenditures	14,493,654	21,427,163	8,391,347	13,035,816
Excess (deficiency) of revenues over expenditures	(14,493,654)	(21,427,163)	(8,336,030)	13,091,133
OTHER FINANCING SOURCES:				
Transfers in	8,661,354	10,509,542	8,336,030	(2,173,512)
Total other financing sources	8,661,354	10,509,542	8,336,030	(2,173,512)
Net change in fund balance	<u>\$ (5,832,300)</u>	<u>\$ (10,917,621)</u>	-	<u>\$ 10,917,621</u>
FUND BALANCE:				
Beginning of year			180,789	
End of year			<u>\$ 180,789</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Debt Repayment Debt Service Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Investment income	\$ 30,000	\$ 30,000	\$ 7	\$ (29,993)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>7</u>	<u>(29,993)</u>
EXPENDITURES:				
Current:				
General government	-	1,399,877	1,399,877	-
Public safety - police	-	3,303,374	3,303,374	-
Public safety - fire	-	3,303,374	3,303,374	-
Community development	-	979,148	979,148	-
Community development - building	-	96,408	96,408	-
Engineering	-	600,236	600,236	-
Public works	-	2,447,722	2,447,722	-
Debt service:				
Principal retirement	280,000	455,000	455,000	-
Interest and fiscal charges	339,631	793,073	793,651	(578)
Total expenditures	<u>619,631</u>	<u>13,378,212</u>	<u>13,378,790</u>	<u>(578)</u>
Excess (deficiency) of revenues over expenditures	<u>(589,631)</u>	<u>(13,348,212)</u>	<u>(13,378,783)</u>	<u>(30,571)</u>
OTHER FINANCING SOURCES:				
Proceeds from issuance of debt	-	-	12,569,574	12,569,574
Transfers in	612,131	612,131	1,071,789	459,658
Total other financing sources	<u>612,131</u>	<u>612,131</u>	<u>13,641,363</u>	<u>13,029,232</u>
Net change in fund balance	<u>\$ 22,500</u>	<u>\$ (12,736,081)</u>	<u>262,580</u>	<u>\$ 12,998,661</u>
FUND BALANCE:				
Beginning of year			11,598,145	
End of year			<u>\$ 11,860,725</u>	

NONMAJOR GOVERNMENTAL FUNDS



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City of Coachella

Nonmajor Governmental Funds

Special Revenue Funds:

Air Quality Improvement - used to account for motor vehicle registration fee authorized by Assembly Bill ("AB") 2766. Funds are disbursed to the City quarterly and can only be used for eligible projects that meet the requirements of federal and California Clean Air Act that reduces air pollution.

Local Transportation - used to account for revenue that is received from the Riverside County Transportation Commission ("RCTC") and used for transportation projects related to their Transportation Development Act, Measure A half-cent sales tax and Transportation Uniform Mitigation Fee ("TUMF") funding program.

Landscape and Lighting Districts - 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 special assessment collected for fire protection within the District(s).

CDBG - used to account for CDBG grant funds passed through the County of Riverside Economic Development Agency for Code Enforcement program.

Gaming Grants - 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 the receipt and disbursement of monies apportioned to the City under the Streets and Highways Code of the State of California for street and street related maintenance, and street construction.

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

Road Maintenance and Rehabilitation Program ("Road Maintenance 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.

Economic Improvement - used to account for net proceeds from payment of principal and interests on first-time home buyer loans made with CalHome, HUD Home Program, and CDBG Home Rehabilitation Program funds and related administrative activities.

Education and Government Access Cable - used to account for franchise fee revenues authorized by California's Digital Infrastructure and Video Competition Act and collected from cable television or local access channels to provide free access to public, education and government programs.

Community Facility District - Police Service - used to account for the portion of special assessments from the City's Community Facility District 2005-1 specific to police services. A portion of the District's special assessments are collected for fire services and are accounted for in the Fire Protection District Fund.

City of Coachella
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape and Lighting Districts	Fire Protection District	CDBG
ASSETS					
Cash and investments	\$ 72,817	\$ 612,206	\$ 2,413,566	\$ 653,479	\$ 172,504
Receivables:					
Accounts receivable	-	19,293	-	-	-
Interest	130	945	6,014	698	184
Due from other governments	15,667	221,373	29,198	22,526	233
Deferred special assessment	-	-	-	109,315	-
Loans receivable	-	-	-	-	-
Total assets	<u>\$ 88,614</u>	<u>\$ 853,817</u>	<u>\$ 2,448,778</u>	<u>\$ 786,018</u>	<u>\$ 172,921</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ 23,600	\$ 64,624	\$ 211,512	\$ 670,698	\$ -
Accrued wages payable	-	-	779	-	-
Due to other governments	-	101,373	-	-	-
Due to other funds	-	-	-	-	233
Unearned revenue	-	-	-	-	-
Total liabilities	<u>23,600</u>	<u>165,997</u>	<u>212,291</u>	<u>670,698</u>	<u>233</u>
Deferred Inflows of Resources					
Unavailable revenues	<u>-</u>	<u>-</u>	<u>15,353</u>	<u>115,320</u>	<u>-</u>
Fund Balances:					
Restricted for:					
Low income housing	-	-	-	-	172,688
Highways and streets	65,014	687,820	2,221,134	-	-
Public facility general government	-	-	-	-	-
Total fund balances	<u>65,014</u>	<u>687,820</u>	<u>2,221,134</u>	<u>-</u>	<u>172,688</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,614</u>	<u>\$ 853,817</u>	<u>\$ 2,448,778</u>	<u>\$ 786,018</u>	<u>\$ 172,921</u>

(Continued)

City of Coachella
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	Gaming Grants	State Gas Tax	Road Maintenance Dillon Road	Road Maintenance SB 1	Economic Improvement
ASSETS					
Cash and investments	\$ -	\$ 75,165	\$ 36,060	\$ 1,900,544	\$ 1,707,585
Receivables:					
Accounts receivable	-	-	11,940	-	-
Interest	-	-	130	-	2,360
Due from other governments	-	-	-	85,272	-
Deferred special assessment	-	-	-	-	-
Loans receivable	-	-	-	-	4,238,521
Total assets	<u>\$ -</u>	<u>\$ 75,165</u>	<u>\$ 48,130</u>	<u>\$ 1,985,816</u>	<u>\$ 5,948,466</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 142	\$ -	\$ -
Accrued wages payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	75,165	-	1,493,010	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>75,165</u>	<u>142</u>	<u>1,493,010</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted for:					
Low income housing	-	-	-	-	5,948,466
Highways and streets	-	-	47,988	492,806	-
Public facility general government	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>47,988</u>	<u>492,806</u>	<u>5,948,466</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 75,165</u>	<u>\$ 48,130</u>	<u>\$ 1,985,816</u>	<u>\$ 5,948,466</u>

(Continued)

City of Coachella
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Education and Government Access Cable	Community Facility District Police Service	
ASSETS			
Cash and investments	\$ 66,943	\$ -	\$ 7,710,869
Receivables:			
Accounts receivable	-	-	31,233
Interest	126	54	10,641
Due from other governments	-	9,575	383,844
Deferred special assessment	-	178,355	287,670
Loans receivable	-	-	4,238,521
Total assets	\$ 67,069	\$ 187,984	\$ 12,662,778
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 970,576
Accrued wages payable	-	-	779
Due to other governments	-	-	101,373
Due to other funds	-	9,629	1,578,037
Unearned revenue	2,405	-	2,405
Total liabilities	2,405	9,629	2,653,170
Deferred Inflows of Resources			
Unavailable revenues	-	178,355	309,028
Fund Balances:			
Restricted for:			
Low income housing	-	-	6,121,154
Highways and streets			3,514,762
Public facility general government	64,664	-	64,664
Total fund balances	64,664	-	9,700,580
Total liabilities, deferred inflows of resources and fund balances	\$ 67,069	\$ 187,984	\$ 12,662,778

(Concluded)

City of Coachella
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape and Lighting District	Fire Protection District	CDBG
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 888,174	\$ -
Charges for services	-	-	-	38,123	-
Intergovernmental	76,121	2,110,275	-	849	227,939
Special assessments	-	-	2,048,466	728,149	-
Investment income	782	2,205	11,464	4,942	1,426
Net increase (decrease) in the fair value of investments	(914)	-	(19,488)	(4,924)	-
Other revenue	-	-	-	8,666	-
Total revenues	75,989	2,112,480	2,040,442	1,663,979	229,365
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety - police	-	-	-	-	-
Public safety - fire	-	-	-	2,899,025	-
Public works	46,211	552	1,627,286	-	-
Total expenditures	46,211	552	1,627,286	2,899,025	-
Excess (deficiency) of revenues over expenditures	29,778	2,111,928	413,156	(1,235,046)	229,365
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	1,546,239	-
Transfers out	-	(270,288)	(314,196)	(188,986)	(233)
Total other financing sources (uses)	-	(270,288)	(314,196)	1,357,253	(233)
Net change in fund balances	29,778	1,841,640	98,960	122,207	229,132
FUND BALANCES:					
Beginning of year, as restated (Note 15)	35,236	(1,153,820)	2,122,174	(122,207)	(56,444)
End of year	<u>\$ 65,014</u>	<u>\$ 687,820</u>	<u>\$ 2,221,134</u>	<u>\$ -</u>	<u>\$ 172,688</u>

(Continued)

City of Coachella
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				
	Gaming Grants	State Gas Tax	Road Maintenance Dillon Road	Road Maintenance SB 1	Economic Improvement
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental	465,770	1,036,835	68,432	865,415	-
Special assessments	-	-	-	-	-
Investment income	4,620	-	996	-	44,529
Net increase (decrease) in the fair value of investments	-	-	-	-	-
Other revenue	498	-	-	-	-
Total revenues	<u>470,888</u>	<u>1,036,835</u>	<u>69,428</u>	<u>865,415</u>	<u>44,529</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety - police	-	-	-	-	-
Public safety - fire	-	-	-	-	-
Public works	-	1,508	142	-	-
Total expenditures	<u>-</u>	<u>1,508</u>	<u>142</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>470,888</u>	<u>1,035,327</u>	<u>69,286</u>	<u>865,415</u>	<u>44,529</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(492,384)	(1,035,327)	(66,500)	(1,493,010)	-
Total other financing sources (uses)	<u>(492,384)</u>	<u>(1,035,327)</u>	<u>(66,500)</u>	<u>(1,493,010)</u>	<u>-</u>
Net change in fund balances	<u>(21,496)</u>	<u>-</u>	<u>2,786</u>	<u>(627,595)</u>	<u>44,529</u>
FUND BALANCES:					
Beginning of year, as restated (Note 15)	21,496	-	45,202	1,120,401	5,903,937
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,988</u>	<u>\$ 492,806</u>	<u>\$ 5,948,466</u>

(Continued)

City of Coachella
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Education and Government Access Cable	Community Facility District Police Service	
REVENUES:			
Taxes	\$ -	\$ -	\$ 888,174
Charges for services	-	-	38,123
Intergovernmental	11,580	-	4,863,216
Special assessments	-	1,202,171	3,978,786
Investment income	1,019	-	71,983
Net increase (decrease) in the fair value of investments	(889)	(659)	(26,874)
Other revenue	-	-	9,164
Total revenues	11,710	1,201,512	9,822,572
EXPENDITURES:			
Current:			
General government	11,580	-	11,580
Public safety - police	-	6,049	6,049
Public safety - fire	-	-	2,899,025
Public works	-	-	1,675,699
Total expenditures	11,580	6,049	4,592,353
Excess (deficiency) of revenues over expenditures	130	1,195,463	5,230,219
OTHER FINANCING SOURCES (USES):			
Transfers in	-	80,899	1,627,138
Transfers out	-	(1,276,362)	(5,137,286)
Total other financing sources (uses)	-	(1,195,463)	(3,510,148)
Net change in fund balances	130	-	1,720,071
FUND BALANCES:			
Beginning of year, as restated (Note 15)	64,534	-	7,980,509
End of year	\$ 64,664	\$ -	\$ 9,700,580

(Concluded)

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 58,000	\$ 58,000	\$ 76,121	\$ 18,121
Investment income	-	-	782	782
Net increase (decrease) in the fair value of investments	-	-	(914)	(914)
Total revenues	58,000	58,000	75,989	17,989
EXPENDITURES:				
Current:				
Public works	44,393	44,393	46,211	(1,818)
Total expenditures	44,393	44,393	46,211	(1,818)
Net change in fund balance	\$ 13,607	\$ 13,607	29,778	\$ 16,171
FUND BALANCE:				
Beginning of year			35,236	
End of year			<u>\$ 65,014</u>	

City of Coachella

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued) Local Transportation Special Revenue Fund For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 531,000	\$ 531,000	\$ 2,110,275	\$ 1,579,275
Investment income	-	-	2,205	2,205
Total revenues	<u>531,000</u>	<u>531,000</u>	<u>2,112,480</u>	<u>1,581,480</u>
EXPENDITURES:				
Current:				
Public works	-	-	552	(552)
Total expenditures	<u>-</u>	<u>-</u>	<u>552</u>	<u>(552)</u>
Excess (deficiency) of revenues over expenditures	<u>531,000</u>	<u>531,000</u>	<u>2,111,928</u>	<u>1,580,928</u>
OTHER FINANCING (USES):				
Transfers out	(375,000)	(645,288)	(270,288)	375,000
Total other financing (uses)	<u>(375,000)</u>	<u>(645,288)</u>	<u>(270,288)</u>	<u>375,000</u>
Net change in fund balance	<u>\$ 156,000</u>	<u>\$ (114,288)</u>	<u>1,841,640</u>	<u>\$ 1,955,928</u>
FUND BALANCE:				
Beginning of year			(1,153,820)	
End of year			<u>\$ 687,820</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Landscape and Lighting District Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Special assessments	\$ 2,047,689	\$ 2,047,689	\$ 2,048,466	\$ 777
Investment income	-	-	11,464	11,464
Net increase (decrease) in the fair value of investments	-	-	(19,488)	(19,488)
Total revenues	<u>2,047,689</u>	<u>2,047,689</u>	<u>2,040,442</u>	<u>(7,247)</u>
EXPENDITURES:				
Current:				
Public works	<u>3,716,908</u>	<u>3,716,908</u>	<u>1,627,286</u>	<u>2,089,622</u>
Total expenditures	<u>3,716,908</u>	<u>3,716,908</u>	<u>1,627,286</u>	<u>2,089,622</u>
Excess of revenues over expenditures	<u>(1,669,219)</u>	<u>(1,669,219)</u>	<u>413,156</u>	<u>2,082,375</u>
OTHER FINANCING USES:				
Transfers out	<u>(314,195)</u>	<u>(314,195)</u>	<u>(314,196)</u>	<u>(1)</u>
Total other financing uses	<u>(314,195)</u>	<u>(314,195)</u>	<u>(314,196)</u>	<u>(1)</u>
Net change in fund balance	<u>\$ (1,983,414)</u>	<u>\$ (1,983,414)</u>	<u>98,960</u>	<u>\$ 2,082,374</u>
FUND BALANCE:				
Beginning of year			<u>2,122,174</u>	
End of year			<u>\$ 2,221,134</u>	

City of Coachella

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued) Fire Protection District Special Revenue Fund For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 821,300	\$ 821,300	\$ 888,174	\$ 66,874
Charges for services	100,000	100,000	38,123	(61,877)
Intergovernmental	-	-	849	849
Special assessments	719,878	719,878	728,149	8,271
Investment income	-	-	4,942	4,942
Net increase (decrease) in the fair value of investments	-	-	(4,924)	(4,924)
Other revenue	-	-	8,666	8,666
Total revenues	<u>1,641,178</u>	<u>1,641,178</u>	<u>1,663,979</u>	<u>22,801</u>
EXPENDITURES:				
Current:				
Public safety	3,407,607	3,407,607	2,899,025	508,582
Capital Outlay	-	350,000	-	350,000
Total expenditures	<u>3,407,607</u>	<u>3,757,607</u>	<u>2,899,025</u>	<u>858,582</u>
Excess (deficiency) of revenues over expenditures	<u>(1,766,429)</u>	<u>(2,116,429)</u>	<u>(1,235,046)</u>	<u>881,383</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,670,293	3,020,293	1,546,239	(1,474,054)
Transfers out	(903,864)	(903,864)	(188,986)	714,878
Total other financing sources (uses)	<u>1,766,429</u>	<u>2,116,429</u>	<u>1,357,253</u>	<u>(759,176)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>122,207</u>	<u>\$ 122,207</u>
FUND BALANCE:				
Beginning of year, as restated (Note 15)			(122,207)	
End of year			<u>\$ -</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
CDBG Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 350,000	\$ 363,223	\$ 227,939	\$ (135,284)
Investment income	-	-	1,426	1,426
Total revenues	<u>350,000</u>	<u>363,223</u>	<u>229,365</u>	<u>(133,858)</u>
OTHER FINANCING (USES):				
Transfers out	(350,000)	(388,123)	(233)	387,890
Total other financing (uses)	<u>(350,000)</u>	<u>(388,123)</u>	<u>(233)</u>	<u>387,890</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (24,900)</u>	229,132	<u>\$ 254,032</u>
FUND BALANCE:				
Beginning of year			(56,444)	
End of year			<u>\$ 172,688</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Gaming Grants Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 554,527	\$ 554,527	\$ 465,770	\$ (88,757)
Investment income	-	-	4,620	4,620
Other revenue	-	-	498	498
Total revenues	<u>554,527</u>	<u>554,527</u>	<u>470,888</u>	<u>(83,639)</u>
OTHER FINANCING USES:				
Transfers out	<u>(554,527)</u>	<u>(554,527)</u>	<u>(492,384)</u>	<u>62,143</u>
Total other financing uses	<u>(554,527)</u>	<u>(554,527)</u>	<u>(492,384)</u>	<u>62,143</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(21,496)</u>	<u>\$ (21,496)</u>
FUND BALANCE:				
Beginning of year			21,496	
End of year			<u>\$ -</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
State Gas Tax Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 1,163,200	\$ 1,163,200	\$ 1,036,835	\$ (126,365)
Total revenues	<u>1,163,200</u>	<u>1,163,200</u>	<u>1,036,835</u>	<u>(126,365)</u>
EXPENDITURES:				
Current:				
Public works	-	-	1,508	(1,508)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,508</u>	<u>(1,508)</u>
Excess of revenues over expenditures	<u>1,163,200</u>	<u>1,163,200</u>	<u>1,035,327</u>	<u>(127,873)</u>
OTHER FINANCING (USES):				
Transfers out	(1,163,200)	(1,163,200)	(1,035,327)	127,873
Total other financing (uses)	<u>(1,163,200)</u>	<u>(1,163,200)</u>	<u>(1,035,327)</u>	<u>127,873</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Coachella

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued) Road Maintenance SB1 Special Revenue Fund For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 875,424	\$ 875,424	\$ 865,415	\$ (10,009)
Total revenues	<u>875,424</u>	<u>875,424</u>	<u>865,415</u>	<u>(10,009)</u>
OTHER FINANCING (USES):				
Transfers out	(386,396)	(1,956,396)	(1,493,010)	463,386
Total other financing (uses)	<u>(386,396)</u>	<u>(1,956,396)</u>	<u>(1,493,010)</u>	<u>463,386</u>
Net change in fund balance	<u>\$ 489,028</u>	<u>\$ (1,080,972)</u>	<u>(627,595)</u>	<u>\$ 453,377</u>
FUND BALANCE:				
Beginning of year			1,120,401	
End of year			<u>\$ 492,806</u>	

City of Coachella

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued) Education and Government Access Cable Special Revenue Fund For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 11,580	\$ 11,580
Investment income	-	-	1,019	1,019
Net increase (decrease) in the fair value of investments	-	-	(889)	(889)
Total revenues	-	-	11,710	11,710
EXPENDITURES:				
Current:				
General government	32,000	32,000	11,580	20,420
Total expenditures	32,000	32,000	11,580	20,420
Excess (deficiency) of revenues over expenditures	(32,000)	(32,000)	130	32,130
OTHER FINANCING SOURCES :				
Transfers in	32,000	32,000	-	(32,000)
Total other financing sources	32,000	32,000	-	(32,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	130	<u>\$ 130</u>
FUND BALANCE:				
Beginning of year			64,534	
End of year			<u>\$ 64,664</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Community Facility District - Police Service
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 1,174,645	\$ 1,174,645	\$ 1,202,171	\$ 27,526
Net increase (decrease) in the fair value of investments	-	-	(659)	(659)
Total revenues	<u>1,174,645</u>	<u>1,174,645</u>	<u>1,201,512</u>	<u>26,867</u>
EXPENDITURES:				
Current:				
Public Safety - Police	<u>5,000</u>	<u>5,000</u>	<u>6,049</u>	<u>(1,049)</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>6,049</u>	<u>(1,049)</u>
Excess (deficiency) of revenues over expenditures	<u>1,169,645</u>	<u>1,169,645</u>	<u>1,195,463</u>	<u>25,818</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	80,899	80,899
Transfers out	<u>(1,169,645)</u>	<u>(1,169,645)</u>	<u>(1,276,362)</u>	<u>(106,717)</u>
Total other financing sources (uses)	<u>(1,169,645)</u>	<u>(1,169,645)</u>	<u>(1,195,463)</u>	<u>(25,818)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	



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CUSTODIAL FUNDS



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City of Coachella

Custodial Funds

Custodial Funds:

JPA Waste Transfer Fund - used to account for the receipts collected and distributed to the Coachella Indio Waste Transfer Station Joint Power Authority for waste transfer services provided to City residents.

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.

Refuse Fund - used to account for the receipts collected and distributed to Burrtec Waste & Recycling Services , LLC for refuse services provided to City Residents.

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

Special Assessment CFD 2018-1 Glenroy Fund - used to account for special assessment paid by property owners in the CFD 2018-1 Glenroy and to make the debt service payments on their behalf.

City of Coachella
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	JPA Waste Transfer	Flood Control Capital Facilities	Refuse Fund	Coachella Parks and Recreation Foundation
ASSETS				
Cash and investments	\$ 823,266	\$ 2,321,984	\$ 1,019,694	\$ 18,578
Accounts receivable	180,205	-	112,283	-
Interest receivable	1,646	3,732	472	30
Total Assets	<u>1,005,117</u>	<u>2,325,716</u>	<u>1,132,449</u>	<u>18,608</u>
LIABILITIES				
Accounts payable	-	-	991,962	-
Total liabilities	<u>-</u>	<u>-</u>	<u>991,962</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals, organization, and other governments	<u>\$ 1,005,117</u>	<u>\$ 2,325,716</u>	<u>\$ 140,487</u>	<u>\$ 18,608</u>

(Continued)

City of Coachella
Combining Statement of Fiduciary Net Position (Continued)
Custodial Funds
June 30, 2021

	Special Assessment CFD 2018-1 Glenroy	Total Custodial Funds
ASSETS		
Cash and investments	\$ 181,349	\$ 4,364,871
Accounts receivable	190,581	483,069
Interest receivable	248	6,128
Total Assets	<u>372,178</u>	<u>4,854,068</u>
LIABILITIES		
Accounts payable	<u>-</u>	<u>991,962</u>
Total liabilities	<u>-</u>	<u>991,962</u>
NET POSITION		
Restricted for:		
Individuals, organization, and other governments	<u>\$ 372,178</u>	<u>\$ 3,862,106</u>

(Concluded)

City of Coachella
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	JPA Waste Transfer	Flood Control Capital Facilities	Refuse Fund	Coachella Parks and Recreation Foundation
ADDITIONS:				
Assessment revenue collected	\$ -	\$ -	\$ -	\$ -
Investment income	11,679	30,134	2,727	243
Net increase (decrease) in the fair value of investments	(11,605)	(26,306)	-	
Refuse revenue collected for other organization	-	-	2,413,099	-
Waste transfer charges collected for other organization	1,085,736	-	-	-
Total additions	1,085,810	3,828	2,415,826	243
DEDUCTIONS:				
Payment of special assessment district expense	-	-	-	-
Payment of refuse revenue to other organization	-	-	2,358,827	-
Payment of waste transfer charges to other government	923,639	-	-	-
Total deductions	923,639	-	2,358,827	-
Change in net position	162,171	3,828	56,999	243
NET POSITION:				
Beginning of year, as restated (Note 15)	842,946	2,321,888	83,488	18,365
End of year	<u>\$ 1,005,117</u>	<u>\$ 2,325,716</u>	<u>\$ 140,487</u>	<u>\$ 18,608</u>

(Continued)

City of Coachella
Combining Statement of Changes in Fiduciary Net Position (Continued)
Custodial Funds
For the Year Ended June 30, 2021

	Special Assessment CFD 2018-1 Glenroy	Total Custodial Funds
ADDITIONS:		
Assessment revenue collected	\$ 404,605	\$ 404,605
Investment income	1,910	46,693
Net increase (decrease) in the fair value of investments	-	(37,911)
Refuse revenue collected for other organization	-	2,413,099
Waste transfer charges collected for other organization	-	1,085,736
Total additions	<u>406,515</u>	<u>3,912,222</u>
DEDUCTIONS:		
Payment of special assessment district expense	355,855	355,855
Payment of refuse revenue to other organization	-	2,358,827
Payment of waste transfer charges to other government	-	923,639
Total deductions	<u>355,855</u>	<u>3,638,321</u>
Change in net position	50,660	273,901
NET POSITION:		
Beginning of year, as restated (Note 15)	321,518	3,588,205
End of year	<u>\$ 372,178</u>	<u>\$ 3,862,106</u>

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STATISTICAL SECTION



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City of Coachella

Description of Statistical Section Contents

This part of the City of Coachella's annual comprehensive 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
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	142 - 151
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	152 - 160
Debt Capacity - 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.	161 - 166
Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	167 - 168
Operating Information - 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.	169 - 173

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

	Fiscal Years				
	2012	2013	2014	2015	2016
Governmental activities:					
Net investment in					
capital assets	\$ 111,247,097	\$ 120,525,667	\$ 132,329,974	\$ 145,593,234	\$ 157,898,999
Restricted	23,302,650	15,984,734	5,035,089	4,053,609	4,053,609
Unrestricted	903,304	3,821,526	17,339,942	10,703,722	13,006,316
Total governmental net position	<u>\$ 135,453,051</u>	<u>\$ 140,331,927</u>	<u>\$ 154,705,005</u>	<u>\$ 160,350,565</u>	<u>\$ 174,958,924</u>
Business-type activities:					
Net investment in					
capital assets	\$ 31,140,385	\$ 30,060,637	\$ 29,190,240	\$ 29,253,731	\$ 29,332,671
Restricted	10,544,314	11,808,295	11,781,174	12,022,868	11,783,670
Unrestricted	680,001	1,550,566	2,427,129	(1,800,780)	(2,613,339)
Total business-type net position	<u>\$ 42,364,700</u>	<u>\$ 43,419,498</u>	<u>\$ 43,398,543</u>	<u>\$ 39,475,819</u>	<u>\$ 38,503,002</u>
Primary government:					
Net investment in capital assets	\$ 142,387,482	\$ 150,586,304	\$ 161,520,214	\$ 174,846,965	\$ 187,231,670
Restricted	33,846,964	27,793,029	16,816,263	16,076,477	15,837,279
Unrestricted	1,583,305	5,372,092	19,767,071	8,902,942	10,392,977
Total primary gov't net position	<u>\$ 177,817,751</u>	<u>\$ 183,751,425</u>	<u>\$ 198,103,548</u>	<u>\$ 199,826,384</u>	<u>\$ 213,461,926</u>

Source: City of Coachella

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

	Fiscal Years				
	2017 ⁽¹⁾	2018	2019	2020	2021
Governmental activities:					
Net investment in					
capital assets	\$ 166,082,543	\$ 169,053,563	\$ 175,347,890	\$ 177,654,735	\$ 177,996,160
Restricted	3,795,395	9,447,922	11,302,241	10,220,894	11,338,507
Unrestricted	5,126,523	(1,023,578)	(4,752,725)	(3,720,578)	2,185,791
Total governmental net position	<u>\$ 175,004,461</u>	<u>\$ 177,477,907</u>	<u>\$ 181,897,406</u>	<u>\$ 184,155,051</u>	<u>\$ 191,520,458</u>
Business-type activities:					
Net investment in					
capital assets	\$ 29,366,927	\$ 29,018,484	\$ 28,549,842	\$ 27,498,094	\$ 27,295,555
Restricted	11,854,918	13,395,402	12,728,682	12,551,198	14,725,959
Unrestricted	(1,742,673)	(1,498,515)	1,557,514	3,450,313	2,746,320
Total business-type net position	<u>\$ 39,479,172</u>	<u>\$ 40,915,371</u>	<u>\$ 42,836,038</u>	<u>\$ 43,499,605</u>	<u>\$ 44,767,834</u>
Primary government:					
Net investment in capital assets	\$ 195,449,470	\$ 198,072,047	\$ 203,897,732	\$ 205,152,829	\$ 205,291,715
Restricted	15,650,313	22,843,324	24,030,923	22,772,092	26,064,466
Unrestricted	3,383,850	(2,522,093)	(3,195,211)	(270,265)	4,932,111
Total primary gov't net position	<u>\$ 214,483,633</u>	<u>\$ 218,393,278</u>	<u>\$ 224,733,444</u>	<u>\$ 227,654,656</u>	<u>\$ 236,288,292</u>

⁽¹⁾ 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				
	2012	2013	2014	2015	2016
Expenses:					
Governmental activities:					
General government	\$ 6,111,900	\$ 4,998,607	\$ 4,124,482	\$ 4,849,757	\$ 4,251,234
Public safety	10,307,033	11,303,766	11,189,847	12,338,488	11,972,181
Community development	-	-	-	-	-
Public works	3,973,174	6,965,830	7,262,906	8,461,080	8,553,492
Parks and recreation	1,434,101	1,854,340	2,376,873	2,504,397	2,547,807
Interest on long-term debt	875,283	302,426	296,609	290,576	284,159
Total governmental activities	22,701,491	25,424,969	25,250,717	28,444,298	27,608,873
Business-type activities					
Water	5,296,709	5,820,913	5,415,282	5,286,149	5,957,705
Sanitary	4,592,115	5,450,091	5,247,438	5,206,579	5,451,109
Total business-type activities	9,888,824	11,271,004	10,662,720	10,492,728	11,408,814
Total primary government expenses	32,590,315	36,695,973	35,913,437	38,937,026	39,017,687
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,042,436	1,095,362	691,362	995,116	1,403,812
Public safety	39,690	83,181	80,823	601,521	923,539
Community development	-	-	-	-	-
Public works	240,491	2,669,927	473,148	567,991	993,438
Parks and recreation	-	18,803	38,717	78,314	63,165
Operating grants and contributions	3,206,084	5,547,193	11,445,418	5,545,347	6,505,798
Capital grants and contributions	2,542,580	5,320,294	12,178,865	15,028,254	12,079,607
Total governmental activities program revenue	7,071,281	14,734,760	24,908,333	22,816,543	21,969,359
Business Type Activities					
Charges for services:					
Water	5,423,430	6,854,219	6,393,874	6,795,227	5,991,334
Sanitary	5,023,433	5,990,399	5,278,139	5,480,180	5,411,565
Capital grants and contributions	-	-	-	-	-
Total business-type activities	10,446,863	12,844,618	11,672,013	12,275,407	11,402,899
Total primary government activities program revenues	17,518,144	20,725,159	30,186,472	28,296,723	33,372,258
Net revenues (expenses):					
Governmental activities	(15,630,210)	(10,690,209)	(342,384)	(5,627,755)	(5,639,514)
Business-type activities	558,039	1,573,614	1,009,293	1,782,679	(5,915)
Total net revenues (expenses)	(15,072,171)	(9,116,595)	666,909	(3,845,076)	(5,645,429)

(Continued)

Source: City of Coachella

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

	Fiscal Years				
	2017 ⁽¹⁾	2018	2019	2020	2021
Expenses:					
Governmental activities:					
General government	\$ 6,836,135	\$ 6,368,636	\$ 6,553,545	\$ 7,540,100	\$ 6,549,997
Public safety	11,280,788	11,886,177	11,774,356	13,095,197	14,091,910
Community development	1,857,803	2,016,154	1,790,318	1,943,784	2,763,141
Public works	9,407,247	9,249,130	8,328,169	10,631,562	13,357,859
Parks and recreation	3,048,758	2,681,043	2,568,131	2,730,838	2,057,642
Interest on long-term debt	595,177	673,403	670,778	954,884	915,310
Total governmental activities	33,025,908	32,874,543	31,685,297	36,896,365	39,735,859
Business-type activities					
Water	6,156,918	6,332,662	5,866,721	7,121,639	6,595,413
Sanitary	5,387,442	5,659,749	5,591,651	5,816,793	6,089,286
Total business-type activities	11,544,360	11,992,411	11,458,372	12,938,432	12,684,699
Total primary government expenses	44,570,268	44,866,954	43,143,669	49,834,797	52,420,558
Program Revenues					
Governmental activities:					
Charges for services:					
General government	481,951	501,631	796,669	601,681	578,245
Public safety	637,133	606,712	473,001	434,478	179,705
Community development	667,214	1,222,486	564,547	686,961	1,051,471
Public works	2,055,336	1,571,685	932,899	2,298,215	3,907,646
Parks and recreation	58,578	55,125	66,033	29,566	743
Operating grants and contributions	8,385,986	9,401,381	7,937,754	8,759,557	9,937,711
Capital grants and contributions	6,258,668	3,247,640	4,879,449	5,482,588	5,992,390
Total governmental activities program revenue	18,544,866	16,606,660	15,650,353	18,293,046	21,647,911
Business Type Activities					
Charges for services:					
Water	5,810,063	6,170,863	6,221,940	5,991,611	6,370,999
Sanitary	5,312,468	5,438,519	5,866,814	5,969,661	6,658,098
Capital grants and contributions	858,571	1,702,766	776,614	1,057,169	1,951,333
Total business-type activities	11,981,102	13,312,148	12,865,368	13,018,441	14,980,430
Total primary government activities program revenues	30,525,968	29,918,808	28,515,721	31,311,487	36,628,341
Net revenues (expenses):					
Governmental activities	(14,481,042)	(16,267,883)	(16,034,944)	(18,603,319)	(18,087,948)
Business-type activities	436,742	1,319,737	1,406,996	80,009	2,295,731
Total net revenues (expenses)	(15,878,586)	(14,948,146)	(14,627,948)	(18,523,310)	(15,792,217)

(Continued)

⁽¹⁾ 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				
	2012	2013	2014	2015	2016
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 7,230,805	\$ 3,641,132	\$ 3,865,606	\$ 4,632,924	\$ 4,944,626
Other taxes	4,799,090	7,465,062	7,391,279	10,045,129	12,186,264
Interest and rental income	333,809	56,285	106,855	132,856	240,638
Other revenues	39,472	820,102	491,553	807,923	1,595,993
Transfers	-	5,479,971	2,860,169	1,528,100	1,280,352
Total governmental activities	12,403,176	17,462,552	14,715,462	17,146,932	20,247,873
Business-type activities					
Other taxes	88,747	120,102	78,565	119,244	122,031
Interest and rental income	63,645	17,012	62,092	138,131	191,419
Other revenues	-	-	-	-	-
Transfers	-	-	(1,170,905)	(1,278,100)	(1,280,352)
Total business-type activities	152,392	137,114	(1,030,248)	(1,020,725)	(966,902)
Total primary government	12,555,568	17,599,666	13,685,214	16,126,207	19,280,971
Changes in Net Position					
Governmental activities	(3,227,034)	6,772,343	14,373,078	11,519,177	14,608,359
Business-type activities	710,431	1,710,728	(20,955)	761,954	(972,817)
Total primary government	\$ (2,516,603)	\$ 8,483,071	\$ 14,352,123	\$ 12,281,131	\$ 13,635,542

(Continued)

Source: City of Coachella

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

	Fiscal Years				
	2017 ⁽¹⁾	2018	2019	2020	2021
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,754,692	\$ 5,036,564	\$ 5,439,836	\$ 6,042,270	\$ 6,271,457
Other taxes	11,306,756	12,057,090	13,486,358	12,468,513	16,967,648
Interest and rental income	91,806	182,336	209,045	427,179	60,372
Other revenues	171,567	442,860	409,173	340,100	453,340
Transfers	1,268,912	1,022,479	910,030	1,573,863	1,700,538
Total governmental activities	17,593,733	18,741,329	20,454,442	20,851,925	25,453,355
Business-type activities					
Other taxes	140,354	146,243	183,787	178,215	172,514
Interest and rental income	(24,732)	(8,682)	560,759	713,094	(29,085)
Other revenues	759,370	1,001,380	679,155	705,991	529,607
Transfers	(1,268,912)	(1,022,479)	(910,030)	(1,573,863)	(1,700,538)
Total business-type activities	(393,920)	116,462	513,671	23,437	(1,027,502)
Total primary government	17,199,813	18,857,791	20,968,114	20,875,363	24,425,854
Changes in Net Position					
Governmental activities	3,112,691	2,473,446	4,419,498	2,248,606	7,365,407
Business-type activities	42,822	1,436,199	1,920,667	103,446	1,268,229
Total primary government	\$ 3,155,513	\$ 3,909,645	\$ 6,340,165	\$ 2,352,052	\$ 8,633,636

(Concluded)

⁽¹⁾ 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				
	2012	2013 ⁽¹⁾	2014	2015	2016
General Fund:					
Reserved	\$ 696,055	\$ 747,187	\$ -	\$ -	\$ -
Unreserved	7,216,287	7,233,049	-	-	-
Nonspendable	-	-	712,301	804,798	1,086,738
Restricted	-	-	-	1,034	1,034
Committed	-	-	127,126	962,276	962,276
Assigned	-	-	-	545	545
Unassigned	-	-	4,641,681	5,379,585	7,810,266
Total general fund	<u>\$ 7,912,342</u>	<u>\$ 7,980,236</u>	<u>\$ 5,481,108</u>	<u>\$ 7,148,238</u>	<u>\$ 9,860,859</u>
All other government funds:					
Reserved	\$ 7,557,962	\$ 6,473,490	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	9,811,963	8,762,749	-	-	-
Capital projects funds	(8,722)	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	4,364,961	4,521,075	4,946,650
Committed	-	-	5,485,291	4,425,140	4,028,827
Assigned	-	-	3,225,142	2,480,066	1,631,603
Unassigned	-	-	(10,842)	(1,795)	(62,260)
Total all other governmental funds	<u>\$ 17,361,203</u>	<u>\$ 15,236,239</u>	<u>\$ 13,064,552</u>	<u>\$ 11,424,486</u>	<u>\$ 10,544,820</u>
Total governmental funds	<u>\$ 25,273,545</u>	<u>\$ 23,216,475</u>	<u>\$ 18,545,660</u>	<u>\$ 18,572,724</u>	<u>\$ 20,405,679</u>

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

Source: City of Coachella

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

	Fiscal Years				
	2017	2018	2019	2020	2021
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	4,508,082	15,626,798	8,771,350	8,255,095	7,469,937
Restricted	1,046	1,045	1,079	74,850	-
Committed	1,895,358	58,049	79,063	-	6,701,122
Assigned	545	545	545	-	4,600,000
Unassigned	4,632,342	6,993,819	6,390,418	8,284,935	3,109,913
Total general fund	\$ 11,037,373	\$ 22,680,256	\$ 15,242,455	\$ 16,614,880	\$ 21,880,972
All other government funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	68,311	65,872	63,432	60,993
Restricted	4,387,395	11,389,843	10,461,224	21,044,862	21,681,101
Committed	15,424,846	-	11,219,884	-	-
Assigned	940,181	-	-	-	-
Unassigned	(3,723,091)	(13,315,214)	(18,895,816)	(20,103,042)	(20,468,868)
Total all other governmental funds	\$ 17,029,331	\$ (1,857,060)	\$ 2,851,164	\$ 1,005,252	\$ 1,273,226
Total governmental funds	\$ 28,066,704	\$ 20,823,196	\$ 18,093,619	\$ 17,620,132	\$ 23,154,198

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

Source: City of Coachella

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

	Fiscal Years				
	2012	2013	2014	2015	2016
Revenues:					
Taxes	\$ 15,285,530	\$ 11,719,602	\$ 11,724,882	\$ 14,676,884	\$ 17,164,738
Licenses and permits	443,692	614,773	442,562	538,012	798,212
Charges for services	331,760	453,441	180,654	397,549	450,980
Fines, forfeitures and penalties	200,141	95,057	165,618	184,794	502,295
Intergovernmental	10,333,837	7,509,649	15,291,696	17,809,697	15,923,966
Developer fees	-	-	-	567,991	993,438
Special Assessments	-	-	-	3,129,783	3,228,493
Investment Income*	196,698	56,285	106,855	132,856	240,638
Other income	6,933,698	6,268,534	4,088,497	807,923	1,595,993
Total revenues	33,725,356	26,717,341	32,000,764	38,245,489	40,898,753
Expenditures:					
Current:					
General government	5,055,676	4,511,278	4,236,748	4,664,727	4,348,014
Public safety	10,248,889	11,236,936	11,123,018	12,271,659	11,905,352
Community development	-	-	-	-	-
Engineering**	-	-	-	-	-
Public works	4,207,017	5,276,308	5,742,835	7,054,272	7,190,094
Capital outlays	11,150,050	12,781,950	16,052,519	17,234,277	16,452,981
Debt service:					
Pass-through Agreements	426,749	-	-	-	-
Principal retirements	1,240,000	145,000	150,000	160,000	165,000
Interest and fiscal changes	1,560,982	302,909	297,109	291,109	284,709
Total expenditures	33,889,363	34,254,381	37,602,229	41,676,044	40,346,150
Excess (deficiency) of revenues over (under) expenditures	(164,007)	(7,537,040)	(5,601,465)	(3,430,555)	552,603
Other financing sources (uses):					
Proceeds from issuance of bond debt	-	-	-	-	-
Transfers in	46,165,111	19,087,073	22,151,890	20,840,763	19,309,673
Transfers out	(46,165,111)	(13,607,102)	(19,291,721)	(19,312,663)	(18,029,321)
Total other financing sources (uses)	-	5,479,971	2,860,169	1,528,100	1,280,352
Extraordinary item:	(18,012,537)	-	-	-	-
Net change in fund balances	\$ (18,176,544)	\$ (2,057,069)	\$ (2,741,296)	\$ (1,902,455)	\$ 1,832,955
Debt service as a percentage of non-capital expenditures	12.55%	2.09%	2.07%	1.85%	1.88%

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				
	2017	2018	2019	2020	2021
Revenues:					
Taxes	\$ 17,984,732	\$ 17,871,790	\$ 19,848,580	\$ 19,279,880	\$ 24,245,454
Licenses and permits	816,351	271,415	285,142	460,245	648,250
Charges for services	628,946	1,372,626	881,539	639,637	676,676
Fines, forfeitures and penalties	602,642	527,480	374,848	395,433	155,740
Intergovernmental	8,046,558	4,854,874	8,631,744	9,025,629	8,785,762
Developer fees	1,800,199	1,330,260	537,766	1,850,336	3,716,801
Special Assessments	3,489,601	3,643,875	3,562,383	3,691,811	3,978,786
Investment Income*	32,899	217,530	445,900	662,261	6,722
Other income	900,843	1,944,043	814,026	1,120,728	727,402
Total revenues	<u>34,302,771</u>	<u>32,033,893</u>	<u>35,381,928</u>	<u>37,125,960</u>	<u>42,941,593</u>
Expenditures:					
Current:					
General government:	5,150,306	5,767,796	6,070,256	6,399,115	8,015,833
Public safety	12,700,293	11,755,720	11,744,788	12,920,006	19,468,415
Community development	-	2,623,874	2,596,794	1,756,301	4,003,013
Engineering**	-	-	-	-	1,585,914
Public works	7,601,727	4,934,863	4,631,386	5,964,293	8,805,327
Capital outlays	13,482,382	18,782,238	12,652,515	10,654,477	8,435,278
Debt service:					
Pass-through Agreements	-	-	-	-	-
Principal retirements	559,477	496,005	513,490	6,131,077	523,769
Interest and fiscal changes	566,473	765,920	777,725	973,999	840,090
Total expenditures	<u>40,060,658</u>	<u>45,126,416</u>	<u>38,986,954</u>	<u>44,799,268</u>	<u>51,677,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,757,887)</u>	<u>(13,092,523)</u>	<u>(3,605,026)</u>	<u>(7,673,308)</u>	<u>(8,736,046)</u>
Other financing sources (uses):					
Proceeds from bond debt	12,150,000	-	-	5,445,169	12,569,574
Transfers in	17,609,220	29,980,647	17,862,813	15,595,993	15,193,966
Transfers out	(16,340,308)	(28,958,168)	(16,952,783)	(14,022,130)	(13,493,428)
Total other financing sources (uses)	<u>13,418,912</u>	<u>1,022,479</u>	<u>910,030</u>	<u>7,019,032</u>	<u>14,270,112</u>
Extraordinary item:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 7,661,025</u>	<u>\$ (12,070,044)</u>	<u>\$ (2,694,996)</u>	<u>\$ (654,276)</u>	<u>\$ 5,534,066</u>
Debt service as a percentage of non-capital expenditures	<u>4.24%</u>	<u>4.79%</u>	<u>4.90%</u>	<u>20.81%</u>	<u>3.27%</u>

Source: City of Coachella

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

Fiscal Year End	Gross Assessed Value	Less Property Exemptions	Net Taxable Value	Less Homeowners Exemption	Net Assessed Value	Total Direct Tax Rate	Percent of Assessed Value Growth
2012	1,547,181,026	153,904,367	1,393,276,659	71,670,761	1,321,605,898	6.63	-10.39%
2013	1,481,929,638	155,810,941	1,326,118,697	20,672,757	1,305,445,940	6.63	-1.22%
2014	1,519,638,811	115,454,244	1,404,184,567	20,581,588	1,383,602,979	6.63	5.99%
2015	1,623,808,162	145,480,073	1,478,328,089	20,451,439	1,457,876,650	6.63	5.37%
2016	1,727,928,171	162,063,787	1,565,864,384	20,357,878	1,545,506,506	6.63	6.01%
2017	1,830,267,163	166,032,882	1,664,234,281	20,230,661	1,644,003,620	6.63	6.37%
2018	1,930,830,307	161,356,142	1,769,474,165	20,100,322	1,749,373,843	6.63	6.41%
2019	1,969,716,926	155,067,666	1,886,306,930	19,789,806	1,866,517,124	6.63	6.70%
2020	2,153,070,000	180,727,000	1,972,343,000	19,514,282	1,952,828,718	6.63	4.62%
2021	2,286,171,648	193,864,048	2,092,307,600	22,861,716	2,069,445,884	6.63	5.97%

Source: Riverside County Assessor's Office
MuniServices, LLC

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

Fiscal Year End	Residential Property	Commercial Property	Other Property	Unsecured Property	Less Tax- Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Taxable Assessed Value (3)
2011-12	755,901,377	300,469,945	430,469,507	60,340,197	153,904,367	1,393,276,659	.03100944	1,321,605,898	0.948560
2012-13	715,872,078	285,845,274	421,670,150	58,542,136	155,810,941	1,326,118,697	.03100944	1,348,591,725	1.016946
2013-14	752,563,219	287,615,839	419,316,122	60,143,631	115,454,244	1,404,184,567	.03100944	1,496,588,337	1.065806
2014-15	952,454,624	406,038,422	202,671,983	62,643,133	145,480,073	1,478,328,089	.03100944	1,824,638,149	1.234258
2015-16	1,046,676,190	399,749,719	212,961,909	68,540,353	162,063,787	1,565,864,384	.03100944	1,750,844,055	1.118133
2016-17	1,104,720,729	420,392,171	231,715,679	73,438,584	166,032,882	1,664,234,281	.03100944	1,984,624,344	1.192515
2017-18	1,172,395,753	443,568,534	237,132,181	77,733,839	161,356,142	1,769,474,165	.03101123	2,189,773,824	1.237528
2018-19	1,228,726,992	486,061,733	254,825,359	91,090,579	175,491,782	1,885,212,881	.03101123	2,281,595,423	1.210259
2019-20	1,286,033,321	508,708,992	271,974,789	86,353,060	180,726,879	1,972,343,283	.03101123	2,277,596,447	1.154767
2020-21 ^a	1,431,670,585	269,046,398	495,918,023	89,536,642	193,864,048	2,092,307,600	.03101123	2,155,953,505	1.030419

1.) Other Value contains state utility in the amount of \$991,207.

2.) Total direct tax rate is the city share of the 1% Proposition 13 tax, post ERAF, for TRA 12-000.

3.) 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.

a During the current fiscal year, the County reclassified and added additional classification for property. Most notably, property previously included in commercial was moved to industrial and is included in the other property section of this table.

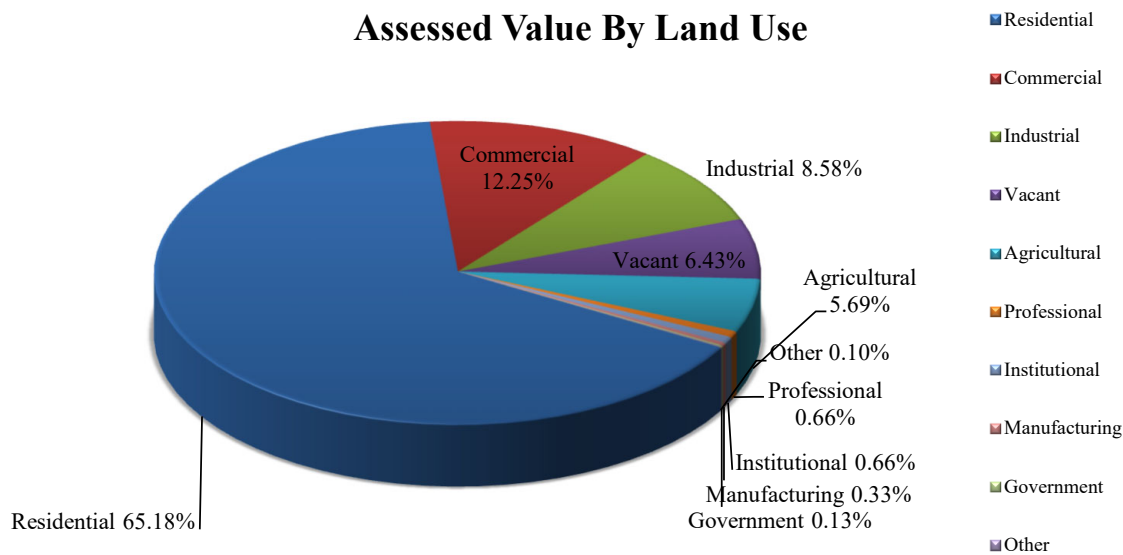
Source: Riverside County Assessor data, MuniServices, LLC



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

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Residential	755,901	715,872	752,563	952,455	1,046,676	1,104,721	1,172,396	1,228,727	1,286,033	1,431,671
Commercial	300,470	285,845	287,616	406,038	399,750	420,392	443,568	486,062	508,709	269,046
Industrial	9,349	6,793	7,377	9,568	9,694	9,795	9,983	11,637	9,589	188,385
Vacant	144,016	132,619	126,940	119,667	125,571	130,128	137,644	154,534	168,094	141,173
Agricultural	-	-	-	-	26,904	37,755	37,755	37,108	45,998	124,919
Professional*	-	-	-	-	-	-	-	-	-	14,567
Institutional*	-	-	-	-	-	-	-	-	-	14,516
Manufacturing*	-	-	-	-	-	-	-	-	-	7,289
Government	-	-	-	-	-	-	-	-	8,919	2,777
Other	277,105	282,259	284,998	73,437	51,394	54,639	51,750	52,045	39,375	2,293
Gross Secured Value	1,486,841	1,423,388	1,459,494	1,561,165	1,659,989	1,757,430	1,853,096	1,970,113	2,066,718	2,196,636
Unsecured	60,340	58,542	60,143	62,643	68,540	73,439	77,734	91,091	86,353	89,537
Exemptions	153,904	155,811	115,454	145,480	162,064	166,033	161,356	175,492	180,727	193,864
Net Secured Value	1,393,277	1,326,119	1,404,183	1,478,328	1,566,466	1,664,836	1,769,474	1,885,712	1,972,344	2,092,309



Source: Riverside County Assessor data, MuniServices, LLC

Use code categories are based on Riverside County Assessor's data

* County data included these additional categories, tax payers in these categories were previously included in other categories.

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

	Fiscal Years				
	2011-12	2012-13	2013-14	2014-15	2015-16
Basic City and County Levy					
County General	0.103064	0.103064	0.103064	0.103064	0.103064
County Free Library	0.013312	0.013312	0.013314	0.013314	0.013314
City of Coachella Anx	0.031009	0.031009	0.031009	0.031009	0.031009
Coachella Valley Unified	0.432209	0.432209	0.432209	0.432209	0.432209
Desert Community College	0.069757	0.069757	0.069757	0.069757	0.069757
RIV. CO. Office of Education	0.037951	0.037951	0.037951	0.037951	0.037951
RIV CO Reg Papr & 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 District	0.036487	0.036487	0.036487	0.036487	0.036487
CV Mosq & Vector Control	0.009059	0.009059	0.009059	0.009059	0.009059
Coachella Valley Rec & Park	0.010968	0.010968	0.010968	0.010968	0.010968
Coachella Valley CO Water	0.025363	0.025363	0.025363	0.025363	0.025363
Coachella Valley Res Concer	0.000325	0.000325	0.000325	0.000325	0.000325
CVC Wtr Imp Dist 1 Devt Srvc	0.011835	0.011835	0.011835	0.011835	0.011835
Coach Valley CO Wtr Sorm Water Unit	0.032107	0.032107	0.032107	0.032107	0.032107
ERAF	0.181878	0.181878	0.181878	0.181876	0.181876
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
Coachella Valley Unified	0.074870	0.079680	0.149190	0.132180	0.132180
Desert Community College	0.019950	0.019950	0.019950	0.020870	0.020870
Coachella Valley Water	0.080000	0.080000	0.100000	0.100000	0.100000
TOTAL	0.174820	0.179630	0.269140	0.253050	0.253050
TOTAL TAX RATE	1.174820	1.179630	1.269140	1.253050	1.253050

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				
	2016-17	2017-18	2018-19	2019-20	2020-21
Basic City and County Levy					
County General	0.103064	0.103065	0.103065	0.103065	0.103065
County Free Library	0.013314	0.013314	0.013314	0.013314	0.013314
City of Coachella Anx	0.031009	0.031011	0.031011	0.031011	0.031011
Coachella Valley Unified	0.432209	0.432209	0.432209	0.432209	0.432209
Desert Community College	0.069757	0.069757	0.069757	0.069757	0.069757
RIV. CO. Office of Education	0.037951	0.037951	0.037951	0.037951	0.037951
RIV CO Reg Papr & 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 District	0.036487	0.036493	0.036493	0.036493	0.036493
CV Mosq & Vector Control	0.009059	0.009059	0.009059	0.009059	0.009059
Coachella Valley Rec & Park	0.010968	0.010968	0.010968	0.010968	0.010968
Coachella Valley CO Water	0.025363	0.025363	0.025363	0.025363	0.025363
Coachella Valley Res Concer	0.000325	0.000325	0.000325	0.000325	0.000325
CVC Wtr Imp Dist 1 Devt Srvc	0.011835	0.011835	0.011835	0.011835	0.011835
Coach Valley CO Wtr Sorm Water Unit	0.032107	0.032107	0.032107	0.032107	0.032107
ERAF	0.181876	0.181867	0.181867	0.181867	0.181867
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
Coachella Valley Unified	0.166010	0.176090	0.149540	0.148760	0.145490
Desert Community College	0.020360	0.040300	0.039780	0.039830	0.039470
Coachella Valley Water	0.100000	0.100000	0.100000	0.100000	0.100000
TOTAL	0.286370	0.316390	0.289320	0.288590	0.284960
TOTAL TAX RATE	1.286370	1.316390	1.289320	1.288590	1.284960

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
2012	13,216,059	13,216,059	100%	-	-	0%
2013	12,225,753	12,225,753	100%	-	-	0%
2014	13,188,561	13,188,561	100%	-	-	0%
2015	14,499,234	14,499,234	100%	-	-	0%
2016	15,693,198	15,693,198	100%	-	-	0%
2017	15,918,858	15,918,858	100%	-	-	0%
2018	17,498,590	17,498,590	100%	-	-	0%
2019	18,665,171	18,665,171	100%	-	-	0%
2020	19,528,287	19,528,287	100%	-	-	0%
2021	20,694,459	20,694,459	100%	-	-	0%

Source: Riverside County Assessors Office

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

Taxpayer	2020-21		2011-12	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Armtec Defense Products Co	44,724,878	2.14%	39,517,508	2.84%
California Artichoke & Veg Growers Corp	28,671,416	1.37%	10,307,047	0.74%
NB Coachella Prop Inc	25,843,967	1.24%	-	-
Soco	22,506,701	1.08%	29,265,616	2.10%
Anthony Vineyards Inc	18,698,440	0.89%	13,245,842	0.95%
Propcorp Inc	17,542,118	0.84%	-	-
KPC Dev Co	15,992,642	0.76%	-	-
Sun World International	14,386,205	0.69%	-	-
Harrison Street	13,056,000	0.62%	-	-
99 Only Stores	12,096,730	0.58%	-	-
RB Johnson Inv	11,951,901	0.57%	-	-
HPT TA Prop Trust	11,166,401	0.53%	10,451,522	0.75%
Sun & Sands Enterprises LLC	11,056,259	0.53%	5,585,143	0.40%
Wal Mart Stores Inc	10,753,147	0.51%	-	-
Grimmway Enterprises Inc	10,663,250	0.51%	-	-
Ellis Charles M	10,155,517	0.49%	-	-
PSAV	9,720,571	0.46%	-	-
Glenroy Coachella	9,681,664	0.46%	-	-
Sirebrenik Jaime	9,038,304	0.43%	-	-
Camp Court	8,967,771	0.43%	7,655,144	0.55%
Nika Royal	8,514,213	0.41%	6,853,000	0.49%
A & S Coachella Centers	8,476,555	0.41%	-	-
Cauzza Four Drug Store	8,104,251	0.39%	-	-
Lone Oak Coachella	7,157,952	0.34%	-	-
Desert Highlands Assoc	-	-	13,456,284	0.97%
Halum Abesud	-	-	12,200,000	0.88%
Sun World Packing Corp	-	-	12,119,490	0.87%
Coachella Retail Realty Assoc	-	-	11,816,916	0.85%
Echo Trail Holdings	-	-	11,300,000	0.81%
Brandenburg Oak Grove	-	-	10,490,259	0.75%
MFJK Partnership	-	-	10,249,136	0.74%
HRG Coachella No 2 THS	-	-	8,666,661	0.62%
BCI Coca Cola Bottling Co of L	-	-	8,011,024	0.58%
J & J Brothers Construction Co	-	-	7,837,321	0.56%
Albertson Inc	-	-	7,659,941	0.55%
CRV Rilington Diego Coachella	-	-	7,321,069	0.53%
Megan World	-	-	6,447,436	0.46%
JJB Prop	-	-	6,106,170	0.44%
CVP Palm Springs	-	-	5,968,616	0.43%
LBUBS 2007 C2 Coachella Retail	-	-	5,927,472	0.43%
Dillon Vineyard Estates	-	-	5,605,575	0.40%
Total Top 25 Taxpayers	348,926,853	16.68%	274,064,192	19.68%
Total Taxable Value	2,092,307,600	100.00%	1,392,721,584	100.00%

Source: Riverside County Assessor data, MuniServices, LLC

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

2020-21		2011-12	
<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxpayer</u>	<u>Business Type</u>
99 Cents Only Stores	Department Stores	Arco AM/PM Mini Marts	Service Stations
Arco AM/PM Mini Marts	Service Stations	Autozone	Auto Parts/Repair
Autozone	Auto Parts/Repair	Bargain Wholesale	Miscellaneous Retail
Beck Oil	Energy Sales	Beck Oil	Energy Sales
Cardenas Market	Food Markets	Cardenas Market	Food Markets
Carl's Jr. Restaurants	Restaurants	Carl's Jr. Restaurants	Restaurants
Chevron Service Stations	Service Stations	Chevron Service Stations	Service Stations
Coachella Power Group	Service Stations	Coronet Concrete Products	Bldg.Matls-Whsle
Crop Production Services	Florist/Nursery	Fastrip Service Stations	Service Stations
Del Taco	Restaurants	Food 4 Less	Food Markets
Desert Redi-Mix	Bldg.Matls-Whsle	Foster & Gardner	Florist/Nursery
Fastrip Service Stations	Service Stations	Fulton Distributing Company	Food Processing Eqp
Food 4 Less	Food Markets	Hydro Systems	Bldg.Matls-Whsle
Foster & Gardner	Florist/Nursery	Imperial Sprinkler Supply	Bldg.Matls-Whsle
Fulton Distributing Company	Light Industry	Imperial Western Products	Light Industry
Hydro AG Systems	Heavy Industry	J & M Sales	Auto Sales - Used
Imperial Sprinkler Supply	Florist/Nursery	Jack In The Box Restaurants	Restaurants
Love's Travel Stop	Service Stations	Love's Travel Stop	Service Stations
Mcdonald's Restaurants	Restaurants	Mcdonald's Restaurants	Restaurants
O'Reilly Auto Parts	Auto Parts/Repair	Pete's Road Service	Auto Parts/Repair
Smart & Final	Food Markets	Rite Aid Drug Stores	Drug Stores
The Coachella Lighthouse-MMD	Drug Stores	South West Pump & Drilling	Bldg.Matls-Whsle
Tower Mart & Gas	Service Stations	Ta Travel Center	Service Stations
Travel Center	Service Stations	Union 76 Service Stations	Service Stations
Wal Mart Stores	Department Stores	Wells Supply Company	Bldg.Matls-Retail

Source: MuniServices, LLC

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

Fiscal Year	General Government					Business-type Activities			Total Primary Government	Per Capita (1)
	Pension Obligation Bonds	Certificates of Participation	Revolving Loan	Revenue Bonds (2)		Pension Obligation Bonds	Revenue Bonds	Revolving Fund Loan		
2012	\$ -	\$ 6,710,000	\$ -	\$ -		\$ -	\$ 25,222,319	\$ 21,489,327	\$ 53,421,646	1,249
2013	-	6,565,000	-	-		-	24,632,974	20,719,685	51,917,659	1,213
2014	-	6,415,000	-	-		-	23,978,541	19,579,843	49,973,384	1,145
2015	-	6,255,000	-	-		-	23,303,804	18,409,820	47,968,624	1,092
2016	-	6,090,000	-	-		-	22,353,536	17,214,035	45,657,571	1,006
2017	-	5,920,000	\$ 1,165,523	\$ 12,030,387		-	22,401,005	15,991,898	57,508,813	1,263
2018	-	5,745,000	1,104,519	11,762,270		-	21,617,565	14,740,763	54,970,117	1,205
2019	-	5,560,000	1,041,029	11,489,154		-	20,822,855	13,459,201	52,372,239	1,130
2020	-	-	974,951	16,417,953		-	20,006,609	12,151,239	49,550,752	1,069
2021	\$12,569,574	-	906,183	15,915,797		\$ 5,020,426	19,168,549	10,812,488	59,372,591	1,241

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 population data.

City of Coachella
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Assessed valuation	1,547,181,026	1,481,929,638	1,519,638,811	1,623,808,162	1,727,928,171
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	386,795,257	370,482,410	379,909,703	405,952,041	431,982,043
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	58,019,288	55,572,361	56,986,455	60,892,806	64,797,306
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 58,019,288</u>	<u>\$ 55,572,361</u>	<u>\$ 56,986,455</u>	<u>\$ 60,892,806</u>	<u>\$ 64,797,306</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				
	2017	2018	2019	2020	2021
Assessed valuation	1,830,267,163	1,930,830,307	1,969,716,926	2,153,070,162	2,286,171,648
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	457,566,791	482,707,577	492,429,232	538,267,541	571,542,912
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	68,635,019	72,406,137	73,864,385	80,740,131	85,731,437
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 68,635,019</u>	<u>\$ 72,406,137</u>	<u>\$ 73,864,385</u>	<u>\$ 80,740,131</u>	<u>\$ 85,731,437</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 ⁽³⁾
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	
2021	6,980,261	4,031,606	2,948,655	1,598,323	639,150	2,237,473	1.32
2020	7,114,840	3,814,702	3,300,138	1,560,878	622,885	2,183,762	1.51
2019	6,856,677	3,549,997	3,306,680	1,524,223	660,682	2,184,905	1.51
2018	6,403,474	3,580,667	2,822,807	1,493,342	690,689	2,184,031	1.29
2017	5,894,831	3,204,126	2,690,705	1,448,212	730,335	2,178,547	1.24
2016	5,611,013	3,358,002	2,253,011	1,403,816	776,671	2,180,487	1.03
2015	5,664,567	2,965,381	2,699,186	1,380,133	850,100	2,230,233	1.21
2014	5,391,254	3,007,156	2,384,098	1,342,147	667,248	2,009,395	1.19
2013	6,125,725	2,833,297	3,292,428	1,264,839	695,653	1,960,492	1.68
2012	5,147,546	2,482,361	2,665,185	1,233,192	723,395	2,150,221	1.24

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

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

(3) This schedule was updated for all 10 years to reflect debt service coverage for all debt.

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	
2021	7,077,151	5,713,492	1,363,659	532,094	489,229	1,021,323	1.34
2020	7,500,901	6,165,931	1,334,970	518,863	501,531	1,020,394	1.31
2019	7,904,165	5,746,297	2,157,868	505,767	513,495	1,019,262	2.12
2018	8,469,760	4,519,571	3,950,189	497,801	523,591	1,021,392	3.87
2017	6,976,582	4,213,352	2,763,230	494,959	533,081	1,028,040	2.69
2016	6,105,336	4,045,495	2,059,841	410,000	340,275	750,275	2.75
2015	6,868,215	3,411,300	3,456,915	405,000	348,475	753,475	4.59
2014	6,423,096	3,503,437	2,919,659	395,000	356,575	751,575	3.88
2013	6,854,219	3,417,056	3,437,163	315,000	200,461	515,461	6.67
2012	5,423,430	2,974,791	2,448,639	300,000	530,713	830,713	2.95

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

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

Source: City of Coachella

City of Coachella

Direct and Overlapping Bonded Debt (Unaudited)

2020-21 Assessed Valuation:	\$	2,111,077,288		
		Total Debt	%	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>6/30/2021</u>	<u>Applicable</u>	<u>Debt 6/30/2021</u>
Desert Community College District	\$	392,435,000	2.39%	\$ 9,383,121
Coachella Valley Unified School District		235,623,166	17.23%	40,604,940
Desert Sands Unified School District		410,450,000	0.33%	1,358,590
City of Coachella Community Facilities District No. 2018-1		5,615,000	100.00%	5,615,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				\$ 56,961,651
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>				
Riverside County General Fund Obligations		717,525,698	0.67%	\$ 4,836,123
Riverside County Pension Obligations		881,575,000	0.67%	5,941,816
Coachella Valley Unified School District Certificates of Participation		34,505,000	17.23%	5,946,247
Desert Sands Unified School District Certificates of Participation		24,960,000	0.33%	82,618
Loans Payable		906,182	100.00%	906,182
City of Coachella Lease Revenue Bonds		10,927,920	100.00%	10,927,920 (1)
City of Coachella Pension Obligation Bonds		17,590,000	100.00%	17,590,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				\$ 46,230,905
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$	353,528,028	0.027-100%	\$ 30,518,452
Total Direct Debt				\$ 29,424,102
Total Overlapping Debt				\$ 104,286,906
Combined Total Debt				<u>\$ 133,711,008 (2)</u>

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.70%
Total Direct Debt (\$29,424,102).....	1.39%
Gross Combined Total Debt	6.28%

Ratios to Redevelopment Incremental Valuation (\$1,140,344,575):

Total Overlapping Tax Increment Debt.....	2.68%
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(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 municipality'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.

Source: MuniServices LLC

City of Coachella

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Employed (2)	Unemployed (2)	Public School Enrollment	County Unemployment Rate (%) (2)	City Unemployment Rate (%) (2)	County Population (1)	City Population (% of County)
2011-12	41,904	10,200	2,500	18,406	12.7%	19.9%	2,227,577	1.88%
2012-13	42,784	10,200	2,400	18,720	12.3%	19.3%	2,255,059	1.90%
2013-14	43,633	10,500	2,100	18,850	10.3%	16.4%	2,279,967	1.91%
2014-15	43,917	16,300	1,700	18,878	6.2%	9.6%	2,308,441	1.90%
2015-16	45,407	16,700	1,900	18,862	6.7%	10.4%	2,347,828	1.93%
2016-17	45,551	17,100	1,600	18,719	6.1%	9.4%	2,384,783	1.91%
2017-18	45,635	17,800	1,800	18,372	4.2%	9.3%	2,415,955	1.89%
2018-19	46,351	17,900	1,300	18,031	3.6%	6.8%	2,440,124	1.90%
2019-20	47,189	15,700	4,600	17,887	15.8%	22.6%	2,442,304	1.9%
2020-21	47,825	16,200	3,800	17,539	9.9%	16.0%	2,454,453	1.9%

Source: MuniServices, LLC

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.

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

Business Name	2020-21		2011-12	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Coachella Valley Unified School District (1)	502	2.51%	1,589	12.51%
Spotlight 29 Casino	496	2.48%	622	4.90%
Ernie Ball Inc/Paladar	392	1.96%	311	2.45%
Armtec Defense (Subsidiary of Esterline Defense Tech)	232	1.16%	316	2.49%
Coachella Valley Water District	192	0.96%	492	3.87%
Teserra Outdoors (formerly California Pools)	184	0.92%	-	-
Augustine Casino	179	0.90%	450	3.54%
Valley Pride	116	0.58%	300	2.36%
Cardenas Markets (Market #18) (2)	110	0.55%	122	0.96%
Coca-Cola Enterprises Inc	100	0.50%	-	-
Imperial Western Products	-	-	144	1.13%
Teserra Outdoors (formerly California Pools)	-	-	121	0.95%
Total Top 10 Employers	2,503	12.52%	4,467	35.17%
Total City Labor Force (3)	20,200	-	12,700	-

Source: MuniServices, LLC

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

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

(2) Includes FTE and PTE.

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

City of Coachella

Ten Year Staffing History (Full Time Equivalents)

	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General Government										
Administration	2.05	3.80	4.30	3.80	4.30	4.30	3.80	4.00	4.00	4.00
Development Services	3.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50
Development Services - Code Enforcement*	1.00	2.00	3.00	3.00	5.00	5.40	5.00	5.00	4.00	4.00
Development Services - Graffiti Abatement*	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Finance	3.60	3.50	3.50	3.50	4.50	4.50	3.50	3.50	4.00	4.00
General Government	4.00	4.00	4.00	4.00	4.00	6.40	6.40	6.40	6.40	6.40
Engineering*	-	-	-	-	4.20	4.20	4.00	3.80	4.30	4.30
Public Works*	19.25	17.90	17.20	15.20	20.93	2.23	1.31	1.33	1.50	1.50
Public Works - Senior Center	2.00	3.00	4.00	4.00	4.00	4.00	4.00	3.00	2.00	2.00
Public Works - Parks*	-	-	-	-	-	9.00	7.75	8.00	8.00	8.00
Public Works - Streets*	-	-	-	-	-	6.10	6.10	6.10	6.10	6.10
Landscape & Lighting District	2.00	2.00	2.00	2.00	2.00	2.00	1.87	1.20	1.20	1.20
Redevelopment Agency	8.05	-	-	-	-	-	-	-	-	-
Sanitary District	13.20	14.40	14.25	13.75	15.13	14.64	14.63	15.83	15.75	15.75
Water Agency	13.35	14.90	14.25	14.25	14.64	15.13	14.14	17.34	17.25	17.25
Grand Total	72.00	72.00	70.00	71.00	68.00	79.00	79.00	81.00	80.00	81.00

(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.

* Categories updated to be consistent with organizational structure.

Source: City of Coachella

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

Function	Fiscal Year				
	2012	2013	2014	2015	2016
Public safety					
Police service hours (per day)	90	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	11	11	13	13	13
Public works - streets					
Streets (miles)	115	115	108	109	109
Streetlights	1,894	1,894	1,788	1,809	1,809
Public works - parks					
Parks acreage	61	89	89	89	89
Parks	7	7	8	8	8
Swimming pools	2	2	2	2	2
Basketball courts	5	5	5	5	5
Community centers	1	1	2	2	2
Water					
Water meters active	7,743	7,776	7,917	8,699	8,322
Fire hydrants	537	546	546	550	550
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				
	2017	2018	2019	2020	2021
Public safety					
Police service hours (per day)	90	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	13	8	11	11	11
Public works - streets					
Streets (miles)	109	109	109	109	109
Streetlights	1,809	1,809	1,809	1,809	1,809
Public works - parks					
Parks acreage	89	89	89	89	89
Parks	8	8	9	9	9
Swimming pools	2	1	1	1	1
Basketball courts	5	5	5	5	5
Community centers	1	1	1	1	1
Water					
Water meters active	8,322	8,384	8,336	8,487	9,080
Fire hydrants	550	554	552	552	552
Sanitary					
Plants	1	1	1	1	1
(capacity/gallons)	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000

Source: City of Coachella

City of Coachella
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2012	2013	2014	2015	2016
Police **					
Homicide	4	2	3	6	4
Rape	8	4	4	4	4
Robbery	61	54	57	55	51
Aggravated Assault	168	124	82	99	96
Burglary	373	418	306	241	200
Motor Vehicle Theft	293	352	326	203	236
Larceny Theft	650	738	646	708	802
Arson	8	9	4	3	0
Fire					
Average Response Time (minutes)	3.7	3.6	3.9	3.7	3.9
Structural Fires	17	20	15	23	14
Commercial Fires	3	7	0	2	1
Other Fires	114	130	71	87	116
Medical aids	1,568	1,610	1,591	1,884	1,731
Traffic Collisions	213	197	195	252	234
Water					
New connections	53	153	134	48	25
Average daily consumption (gallons)	7,353,443	7,135,287	6,297,187	6,022,370	5,600,000
Wastewater					
Average daily sewage treatment (gallons)	2,810,891	2,717,800	2,765,000	2,684,000	2,534,000

** Data based on January - June 2018

Source: City of Coachella

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

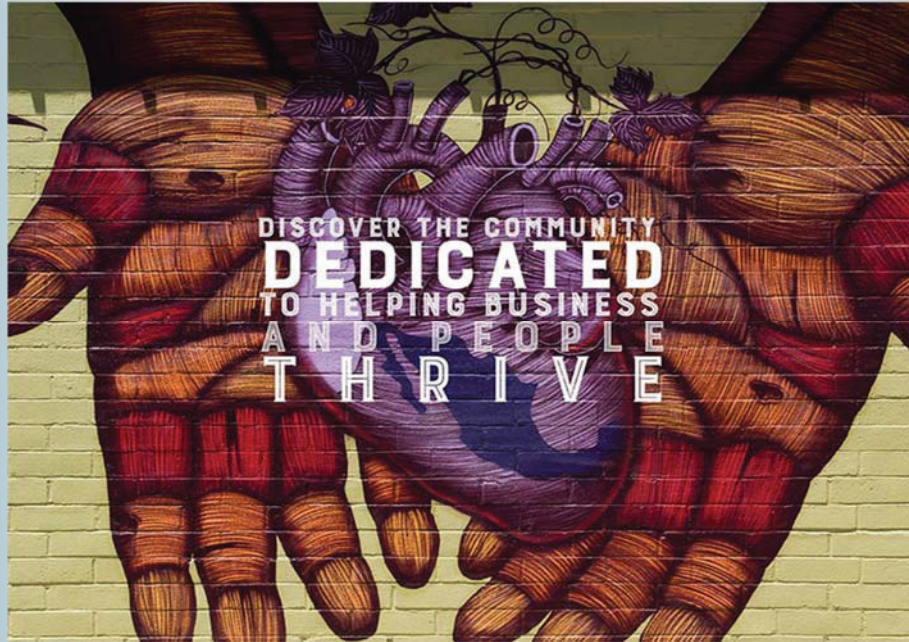
Function	Fiscal Year				
	2017	2018	2019	2020	2021
Police (based on calendar year) **					
Homicide	0	1	1	2	2
Rape	2	5	6	6	6
Robbery	18	26	44	39	39
Aggravated Assault	38	46	50	90	92
Burglary	95	81	136	135	58
Motor Vehicle Theft	119	191	212	159	159
Larceny Theft	426	606	631	580	498
Arson	0	0	0	0	4
Fire					
Average Response Time (minutes)	3.9	4.3	4.2	4.6	4.7
Structural Fires	11	13	14	19	15
Commercial Fires	3	5	4	7	4
Other Fires	141	129	121	154	155
Medical aids	1,907	1,700	1,905	2,321	2,188
Traffic Collisions	293	204	241	249	308
Water					
New connections	16	67	43	151	593
Average daily consumption (gallons)	6,307,000	6,496,235	5,925,945	5,689,729	6,408,327
Wastewater					
Average daily sewage treatment (gallons)	2,573,000	2,649,000	2,712,000	2,603,896	2,932,761

** Data based on January - June 2018

Source: City of Coachella



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53990 ENTERPRISE WAY, COACHELLA CA 92236