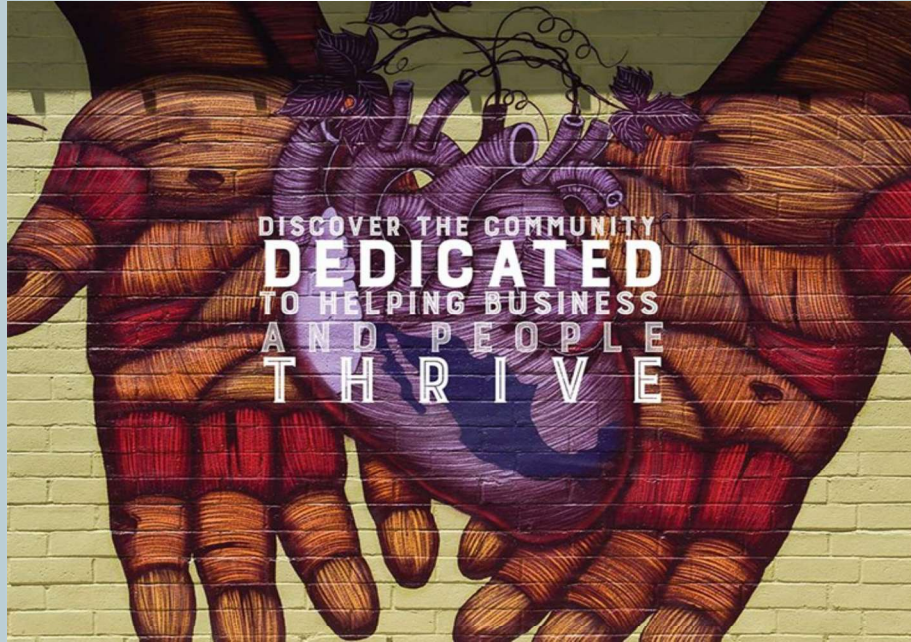


CITY OF COACHELLA, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2025



53990 ENTERPRISE WAY, COACHELLA CA 92236

City of Coachella, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

Prepared By:

The City of Coachella Finance Department

City of Coachella
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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April 30, 2026

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, 2025. 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, 2025. 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 eastern 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 90.4% of the population under the age of 65, and is growing fast. Coachella’s official population was 40,704 at the 2010 census; however, according to the U.S. Census Bureau, the estimated population was 45,165 as of July 2024. In addition, Coachella's stability is evidenced by its unusually high rate of nearly 63.7% 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 Report (ACFR) for fiscal year 2024-25 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 December 2025, the total workforce for the City of Coachella was 23,700 of which 21,500 were employed. The unemployment rate was 9.3% down from 10.7% the year before.

The local economy has continued to grow. 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 continued to decrease from a year earlier, although it has edged up again since the end of the fiscal year. The decrease of inflation had a positive impact on the City’s finances since revenue growth needed to offset rising costs does not directly correlate to the price of goods. This could change in the coming year with markets still undecided about the impact of the military action in Iran.

MAJOR INITIATIVES

Capital Improvement Projects:

During fiscal year 2024-25, expenditures were incurred and planning strategies implemented or continued on several large capital improvement projects. Projects planned or completed during the 2024-25 fiscal year included: The Avenue 50 Bridge, Avenue 50 Widening, Highway 111 and Avenue 54 Bike Lanes, the Energy Conservation Project, Bagdouma Park Miscellaneous Site Improvements, Three (3) Neighborhood Pavement Rehabilitation Projects, Mesquite Water Consolidation Project and Fire Station Rehabilitation, Expansion, and New Garage Door.

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 approved the related 108-unit Tripoli Apartments project low income housing in the downtown area.

In December 2023, the City of Coachella was awarded the Transformative Climate Communities Grant for the amount of \$22,125,000. The grant will fund multiple projects under a plan called Coachella Prospera, which aims to form a "more equitable and climate-resilient community through neighborhood planning that supports climate change adaptation, the healthy development of children, the ability of older adults to age in place, and an overall sense of connectedness that benefits all residents," according to a press release from the city.

This is a competitive grant program funded by the state's cap-and-trade program that focuses on local projects that reduce greenhouse gas emissions through projects that both address climate change and provide other health, economic, and quality of life benefits to the communities most impacted by pollution. The program prioritizes community-led solutions in said highly impacted areas.

The City conducted a Rail Station Feasibility Study in the hopes of obtaining a station in downtown Coachella that will connect the City to Los Angeles Metro and Coachella Valley cities.

FINANCIAL INFORMATION

Budgetary Controls:

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

Internal Controls:

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

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.

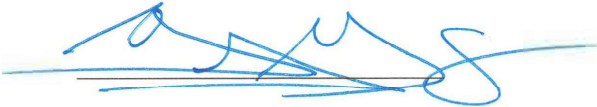
The City's enterprise operations consist of water, and sanitary funds. These funds fall under the management and control of the City Council acting as Board Members.

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 annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 13th 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 Annual Comprehensive Financial Report (ACFR). 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,



Gabriel A. Gonzalez
Interim City Manager



Lincoln G. Bogard
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, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF COACHELLA

List of Principal Officials
As of June 30, 2025

City Council – Manager Form of Government

CITY COUNCIL

STEVEN HERNANDEZ

Mayor

DENISE DELGADO

Mayor Pro Tem

DR. FRANK FIGUEROA
Council Member

STEPHANIE VIRGEN
Council Member

YADIRA PEREZ
Council Member

CITY ADMINISTRATION

William Pattison
City Manager

City Attorney
City Treasurer
City Clerk
Public Works Director - City Engineer
Development Services Director
Finance Director
Battalion Chief
Police Chief
Utilities Manager

Ryan Guiboa
Mayra Perez
Angela Zepeda
Andrew Simmons
Kendra Reif
Lincoln Bogard
Justin Karp
Michael Bianco
Castulo Estrada



General Information

City Organizational Chart





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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Change in Accounting Principle

As discussed in Notes 1 and 16 to the basic financial statements, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. The adoption of this standard resulted in the restatement of the City's net position as of June 30, 2024. Our opinion is not modified with respect to this matter.

Correction of Errors

As discussed in the Note 16 to the basic financial statements, the City recorded restatements due to correction of revenues. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 – General Fund and Major Special Revenue Funds, 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, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 30, 2026, 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 30, 2026

City of Coachella
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

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 ending June 30, 2025. 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 \$285.74 million (*net position*). Of this amount, \$231.95 million is the net investment in capital assets and is not available to meet ongoing obligations. Approximately \$17.61 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 \$13.21 million between FY 2023-24 and FY 2024-25. During the period, total revenues equaled \$82.65 million, an increase of \$16.47 million over fiscal year 2023-24, and expenses totaled \$69.43 million, a \$3.37 million increase over the same time period.

The governmental activities’ total net position increased by \$10.44 million (including prior year restatement impacts), and the business-type total net position increased by \$3.13 million (including prior year restatement impacts). The governmental activities increase was primarily due to an increase of \$5.72 million in operating grants and contributions for assistance from the American Rescue Plan Act for pandemic recovery, Coachella Valley Area Governments grants, and a Transformative Climate Communities grant; an increase of \$4.16 million in capital grants and contributions for assistance in construction and improvements to city infrastructure for streets; an increase of \$1.93 million in charges for services due to increased development, and an increase in property taxes of \$0.97 million due to property value increases and home sales at higher prices, offset by an increase in public safety contract costs of \$2.63 million.

The business-type activities increased \$3.13 million, the increase was primarily due to an increase of \$1.70 million in capital grants and contributions for infrastructure improvements in water and sanitary sewer; a \$0.65 million increase in charges for services due to increased demand due to growth, and an error correction for revenue of \$0.45 million.

At the close of the fiscal year 2024-25, the City of Coachella’s governmental funds reported combined ending fund balances of \$41.35 million, a decrease of \$6.13 million in comparison with the prior year. The primary reason for the decrease was due to an increase in amounts due from other governments of \$3.01 million for unavailable revenues associated with grants for special revenue funds, issuance of leases of \$1.41 million, a \$1.06 million increase in personnel costs, and an increase of \$0.93 million for accounts payable due to timing of invoicing.

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.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

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.

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, public safety, community development, public works (highways and streets), economic development, and parks and recreation. The business-type activities of the City include a Water Authority and a Sanitary District.

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

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

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

The City of Coachella maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Development Impact Fees Special Revenue Fund, Grants Special Revenue Fund, and the Capital Projects Fund all of which are considered to be major funds. Data from the eleven 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 the Supplementary Information 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.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

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

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* and *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 \$285.74 million at the close of the fiscal year. By far the largest *portion* of the City's net position, \$231.95 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 as a 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 2025	FY 2024	FY 2025	FY2024*	FY 2025	FY 2024
Current and restricted assets	\$ 70,711,053	\$ 68,631,779	\$ 28,252,635	\$ 28,130,321	\$ 98,963,688	\$ 96,762,100
Capital assets	216,606,492	204,588,561	58,026,509	54,951,800	274,633,001	259,540,361
Total Assets	287,317,545	273,220,340	86,279,144	83,082,121	373,596,689	356,302,461
Deferred Outflows of Resources	3,384,384	6,764,674	1,865,885	3,478,650	5,250,269	10,243,324
Long-term debt outstanding	36,600,816	37,349,931	30,655,276	33,734,378	67,256,092	71,084,309
Other liabilities	15,659,913	12,916,161	3,968,848	1,354,933	19,628,761	14,271,094
Total Liabilities	52,260,729	50,266,092	34,624,124	35,089,311	86,884,853	85,355,403
Deferred Inflows of Resources	4,542,821	6,275,276	1,682,486	2,349,894	6,225,307	8,625,170
Net position:						
Net Invested in capital assets,	196,224,441	184,375,498	35,728,243	28,935,952	231,952,684	213,311,450
Restricted	23,614,547	18,469,626	12,556,099	13,331,879	36,170,646	31,801,505
Unrestricted	14,059,391	20,598,522	3,554,077	6,853,735	17,613,468	27,452,257
Total Net Position	\$ 233,898,379	\$ 223,443,646	\$ 51,838,419	\$ 49,121,566	\$ 285,736,798	\$ 272,565,212

*2024 balances were restated due to error corrections.

Note: a change in accounting estimate is treated prospectively, prior periods are not restated due to GASB 101 implementation.

The City's net position increased by \$13.17 million or 4.83 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, 2025

City of Coachella's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
REVENUES:						
Program Revenues:						
Charges for services	\$ 5,199,617	\$ 3,269,906	\$ 14,779,927	\$ 14,129,251	\$ 19,979,544	\$ 17,399,157
Operating grants and contributions	18,460,177	12,739,566			18,460,177	12,739,566
Capital grants and contributions	6,685,677	2,524,623	3,429,935	1,731,749	10,115,612	4,256,372
General Revenues:						
Property Taxes	8,945,307	7,976,283	247,664	232,753	9,192,971	8,209,036
Sales and Use Taxes	11,473,654	12,051,079			11,473,654	12,051,079
Franchise Taxes	1,240,236	1,317,405			1,240,236	1,317,405
Transient Occupancy Taxes	1,961,515	1,304,365			1,961,515	1,304,365
Utility Users Taxes	3,260,719	3,436,456			3,260,719	3,436,456
Construction Taxes	340,412	174,807			340,412	174,807
Cannabis Tax	612,046	1,029,401			612,046	1,029,401
Business License Taxes	775,581	769,641			775,581	769,641
Investment Income	2,048,964	1,170,319	1,209,501	1,126,203	3,258,465	2,296,522
Other revenues	1,322,644	534,374	655,313	658,681	1,977,957	1,193,055
Total Revenues	62,326,549	48,298,225	20,322,340	17,878,637	82,648,889	66,176,862
EXPENSES:						
General government	13,316,990	11,897,326		-	13,316,990	11,897,326
Public safety	17,400,860	14,772,296		-	17,400,860	14,772,296
Community development	5,969,173	5,704,915		-	5,969,173	5,704,915
Public works	12,585,275	13,876,230		-	12,585,275	13,876,230
Parks & recreation	3,518,920	3,801,434		-	3,518,920	3,801,434
Interest on long-term debt	1,079,008	796,900		1,029,497	1,079,008	1,826,397
Operating expenses			15,561,136	14,182,289	15,561,136	14,182,289
Total Expenses	53,870,226	50,849,101	15,561,136	15,211,786	69,431,362	66,060,887
Increase (Decrease) in Net Position before transfers	8,456,323	(2,550,876)	4,761,204	2,666,851	13,217,527	115,975
Net transfers	2,048,850	2,216,779	(2,048,850)	(2,216,779)	-	-
Increase (Decrease) in Net Position	10,505,173	(334,097)	2,712,354	450,072	13,217,527	115,975
Change in accounting princile (GASB 101)	(50,440)	-	4,499	-	(45,941)	-
Error Correction	-	-	-	413,980	-	413,980
Beginning of Net Position	223,443,646	223,777,743	49,121,566	48,257,514	272,565,212	272,035,257
Ending Net Position	\$ 233,898,379	\$ 223,443,646	\$ 51,838,419	\$ 49,121,566	\$ 285,736,798	\$ 272,565,212

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Governmental activities: Governmental activities increased the City's net position by \$10.5 million. Key elements of this increase are as follows:

Total revenues increased \$14.03 million or 29.05 percent, the City saw an increase of \$5.72 million in operating grants and contributions for assistance from the American Rescue Plan Act for pandemic recovery, Coachella Valley Area Governments grants, and a Transformative Climate Communities grant; an increase of \$4.16 million in capital grants and contributions for assistance in construction and improvements to city infrastructure for streets; an increase of \$1.93 million in charges for services due to increased development, and an increase in property taxes of \$0.97 million due to property value increases and home sales at higher prices.

Total expenses from governmental activities increased by \$3.02 million or 5.94 percent during the fiscal year. The change was primarily due to an increase of \$2.63 million in public safety contract costs.

Business-type Activities: Business-type activities increased its net position by \$2.7 million. Business-type revenues increased \$2.44 million or 2.96 percent. The increase was due to an increase of \$0.65 million in charge for services due to increased usage due to growth, and an increase of \$1.70 million in capital grants and contributions for infrastructure projects for water and sanitary sewer. Expenses increased by \$0.35 million or 0.50 percent. The increase was due to a \$0.36 million increase in interest on long-term debt.

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 \$41.35 million, a decrease of \$6.13 million in comparison with the prior year. Of the \$41.35 million total, \$13.1 million constitutes as non-spendable fund balances, which means that these balances are not available to fund operating expenditures of the organization; \$11.13 million are restricted fund balances which are the result of external limitations on spending; \$18.94 million are committed which are the result of City Council imposed restrictions for fiscal reserves, \$7.24 million are assigned for various known financial resource requirements of the City's governmental funds and (\$9.1) million represents unassigned fund balances or the residual net resources after taking into consideration the other classifications.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$12.25 million, while the total General Fund balance was \$42.39 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 121 percent of the total budgeted expenditures. A target for unassigned fund balance is 25 percent of general fund budgeted expenditures and the city's is 35 percent.

The fiscal year 2024-25 ending fund balance of the City's General Fund is a net total of \$42.39 million, which is a decrease of \$1.96 million from fiscal year 2023-24. General Fund revenues were \$33.62 million with expenditures at \$34.99 million, which is a deficit of \$1.37 million of revenues under expenditures. The other financing uses decreased the fund balance by \$0.59 million, which brings the net change in fund balance for the year to \$1.96 million. The decrease in the General Fund's balance was mostly due to and an increase in public safety contract costs.

The Development Impact Fees Fund (DIF) is a special revenue fund primarily used to collect development impact fees and fund capital improvement projects. The fund ended the year with a fund balance of (\$12.14) million, an increase of \$1.56 million. The fund balance reflects bonded borrowings for capital improvements to the Coachella Library with \$9.82 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 Center. The Development Impact Fund increase was a direct result of an increase in developer fee payments. DIF funds were primarily used to fund street additions, expansions and upgrades.

The Grants Fund is a special revenue fund primarily used to account for grant revenues received from federal, state and local funding sources. The fund ended the year with a fund balance of (\$8.02) million a decrease of \$3.68 million. The decrease in fund balance is largely due to the unavailable revenues from fiscal year 2024-25 that were not received in time to be considered current economic resources of this fiscal year and were recognized as revenues in fiscal year 2025-26.

The City's Capital Projects Fund is primarily used to account for capital improvement projects including streets, storm drains, city facilities, and other significant capital improvements. The fund ended the year with a fund balance of \$0.29 million an increase of \$0.56 million net change in fund balance for the fiscal year. The change was primarily due to revenue recognition for unavailable revenue for projects that were completed during the year.

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 \$51.83 million. The Water Authority accounted for \$28.48 million of this total, and the Sanitary District accounted for the remaining \$23.35 million.

The *Coachella Water Authority's* net position increased by \$0.79 million over the fiscal year 2023-24. During the year, the Authority had total operating revenues of \$7.51 million and operating expenses of \$7.83 million. The Authority's total operating revenues increased \$0.26 million or 3.61 percent over the previous fiscal year, while operating expenses increased \$0.44 million or 6.00 percent. A large portion of this increase in operating expenses was due to an increase in salaries and benefit costs of \$0.26 million due to addition of staff, a 0.28 million increase in professional service costs for consultants, and a \$0.16 million increase in repairs and maintenance costs for facilities.

The *Coachella Sanitary District's* net position increased \$1.9 million over the fiscal year 2023-24. The District had operating revenues of \$7.92 million and operating expenses of \$6.79 million. Operating revenues increased \$0.39 million or 5.1 percent while operating expenses remained unchanged for the year. The increase in operating revenues was due to growth of consumption and new connections. There was also a \$0.41 million impact from an error correction relating to capital assets.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Capital Asset and Debt Administration

Capital assets: The City's investment in capital assets for its governmental and business-type activities at June 30, 2025, amounts to \$274.63 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, artwork, vehicles, equipment, and intangible leased assets. This amount represents a net increase, which includes additions and deletions amounting to a net increase of \$15.09 million.

City of Coachella's Capital Assets Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Land	\$ 23,068,061	\$ 18,211,458	\$ 909,917	\$ 909,917	\$ 23,977,978	\$ 19,121,375
Intangible Leased Assets	1,107,179	26,323	214,588	-	1,321,767	26,323
Construction In Progress	27,490,717	31,991,108	4,610,327	1,934,637	32,101,044	33,925,745
Buildings & Improvements	27,043,054	19,265,319	395,745	423,171	27,438,799	19,688,490
Machinery & Equipment	1,227,375	1,220,000	1,510,601	1,740,365	2,737,976	2,960,365
Infrastructure	136,670,106	133,874,353	50,385,331	49,943,710	187,055,437	183,818,063
Totals	\$ 216,606,492	\$ 204,588,561	\$ 58,026,509	\$ 54,951,800	\$ 274,633,001	\$ 259,540,361

Governmental activities had the following projects completed and assets placed in service during the fiscal year 2024-25 (in millions of dollars):

- Land \$4.86
- Buildings and improvements \$7.78
- Machinery and equipment \$0.01
- Street Pavement Rehabilitation \$2.80

Additional information on the City of Coachella's capital assets can be found in Note 8 to the financial statements.

Long-term debt: At the end of the current fiscal year, the City's governmental activities had \$36.69 million in bonds, loans payable, compensated absences, claims payable, and net pension, total OPEB liabilities compared to \$37.60 million the previous year, a decrease of \$0.91 million or 2.41 percent. This decrease was due to an increase in lease payable and a reduction of pension obligation bonds, plus a reduction in net pension liability and total OPEB liability. Business-type activities had \$30.71 million in bonds, loans payable, compensated absences, and net pension, total OPEB liabilities compared to \$33.40 million last year, a decrease of \$2.69 million or 8.04 percent. This decrease was due to the regular debt service payments for loans, pension obligation and revenue bonds, plus decreases in net pension and total OPEB liabilities. See Note 8 Long-Term Liabilities.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

City of Coachella's Long-term Debt

	Governmental Activities		Business-Type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Loans Payable	\$ 601,926	\$ 682,605	\$ 5,140,351	\$ 6,606,345	\$ 5,742,277	\$ 7,288,950
Pension Obligation Bonds	9,604,041	10,365,075	3,835,959	4,139,925	13,440,000	14,505,000
Revenue Bonds	13,722,173	14,299,329	16,491,060	17,536,301	30,213,233	31,835,630
Lease Payable	6,171,056	5,231,129	2,188,564	2,037,143	8,359,620	7,268,272
Compensated Absences	1,097,122	721,271	656,750	403,404	1,753,872	1,124,675
Claims Payable	999,741	1,145,642	-	-	999,741	1,145,642
Net Pension Liability (Asset)	2,190,967	2,680,488	1,018,587	1,130,346	3,209,554	3,810,834
Total OPEB Liability	2,294,693	2,474,688	1,380,445	1,543,752	3,675,138	4,018,440
Totals	<u>\$ 36,681,719</u>	<u>\$ 37,600,227</u>	<u>\$ 30,711,716</u>	<u>\$ 33,397,216</u>	<u>\$ 67,393,435</u>	<u>\$ 70,997,443</u>

Note: a change in accounting estimate is treated prospectively, prior periods are not restated due to GASB 101 implementation.

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.

After accounting for these budget adjustments, the General Fund revenues were \$2.17 million higher than the final budgeted amounts. Collections of investment income, increases in the fair value of investments, and additional unexpected other revenues were over budget, but this was somewhat offset by lower-than-expected charges for services and sales tax revenues.

General fund expenditures were \$1.55 million higher than the final budgeted amounts. Capital outlay for public works projects was \$1.46 million over budget. General government and public safety costs were above budget but offset by savings in community development, engineering, and public works.

Economic Factors and Next Year's Budget

California's diverse economy has recovered from the negative effects of the COVID 19 pandemic emergency. Inflation fell to near target levels, but new uncertainties of tariffs and war have left the economy in an uncertain position with rate cuts stopping and inflation indicators showing potential negative consequences. Unemployment has remained relatively unchanged; California's unemployment rate was 5.4 percent in November 2024 and is 5.4 percent as of February 2026. California's unemployment rate is expected to remain elevated at approximately 5.5% throughout 2026, stemming from a sluggish economy and layoffs, before seeing improvement in 2027. While AI drives job gains in certain sectors, layoffs are concentrated in manufacturing and tech. A recovery is anticipated later, with unemployment potentially dropping to 4.6% in 2027.

In 2025-26 the City of Coachella plans to spend \$63.81 million on capital improvements, many of them with a focus on building up the city infrastructure. The funding comes from federal, state, and regional grants, local Measure A, and gas tax revenues. Some of the projects that the City of Coachella will be working in the fiscal year 2025-26 are as follows:

- Fire Station Expansion
- Library Annex
- Civic Center Breakroom
- Wellness Center
- CRC

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- LLMD 13 District Improvements
- Veteran's Park Splash Pad
- Dateland Skatepark Rehabilitation
- Sierra Vista Park Restroom Replacement
- Park Tot Lot Ave 53
- Bagdouma Park Restroom
- Rancho Las Flores Park Expansion
- Bagdouma Restroom
- Shady Lane & Amezcuca Septic to Sewer Conversion
- Capacity Imp. Tyler from Ave 53 to Ave 54
- Capacity Improvements - Ave 50 from Coronado to Harrison
- SCADA System Upgrade
- Park Drywell Project
- Avenue 50 Bridge (Over Whitewater Channel)
- New Interchange @ Ave 50 & 86S EXPY
- Ave 50 Widening Project (Calhoun to Harrison)
- Street pavement Rehab Phase 21
- Street Pavement Rehab Phase 22
- Avenue 50 Bridge Coating
- Dillon Road Bridge Coating
- ATP HWY 111 and Ave 54 Bike Lanes
- Street Pavement Rehab Phase 23
- Coachella Valley Arts and Music Line
- Airport Blvd Bridge
- TCC Urban Greening
- TCC ATP
- Street Pavement Rehab Phase 24
- Dillon Road Rehab
- Avenue 50 Realignment (Oates Ln to Tyler Street)
- HSIP Cycle 12
- Safe Streets for All
- Shady Lane & Amezcuca Water System Consolidation
- 3.6Mg Reservoir Interior Relining
- Whitewater Wash Bridge Pipeline @ Ave 50
- Valve Replacement
- Well 20
- SCADA System Upgrade
- Well 16 Rehab
- Hexavalent Chromium Treatment
- Meter Exchange Project 2025/26

Sales Tax: The City's sales taxes decreased in the fiscal year 2024-25 and are projected to decrease in the fiscal year 2025-26. California sales tax revenues are decreasing due to factors including higher interest rates, elevated inflation, a shift in consumer spending from taxed goods to untaxed services, and the unwinding of pandemic-era revenue spikes. Sales tax revenues decreased by \$0.58 million compared to the fiscal year 2023-24. During the fiscal year 2024-25, Sales Tax Revenue was \$11.47 million.

City of Coachella
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Revenue Outlook: Overall tax revenues are expected to be steady as the economy continues to grow albeit at a slower pace, but federal policies could impact the economic growth and reduce state revenues. Property and sales taxes are expected to grow moderately. Growth is currently hedged in development related fee revenues as investment activity slows.

Expenditure Outlook: The fiscal year 2025-26 will see General Fund expenditures budgeted at \$39.22 million. The Public Safety budget continues to dominate with a police services budget of \$12.35 million, which represents 31.49 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 \$3.50 million in revenue to the General Fund.

Requests for information

This financial report is designed to provide our citizens, taxpayers, customers, 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, 53-990 Enterprise Way, Coachella California 92236 or via email at finance@coachella.org.

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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City of Coachella
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 43,047,990	\$ 13,496,301	\$ 56,544,291
Restricted cash	-	12,172,308	12,172,308
Investments with fiscal agent	1,627,502	1,995,741	3,623,243
Accounts receivable	1,764,252	2,377,298	4,141,550
Interest receivable	285,065	136,120	421,185
Internal balance	2,001,670	(2,001,670)	-
Due from other governments	13,107,144	59,621	13,166,765
Prepaid items	2,006,264	16,916	2,023,180
Deferred special assessment	2,188,380	-	2,188,380
Loans receivable	3,738,046	-	3,738,046
Lease receivable	944,740	-	944,740
Capital assets not being depreciated	50,558,778	5,520,244	56,079,022
Capital assets being depreciated and amortized, net	166,047,714	52,506,265	218,553,979
Total Assets	287,317,545	86,279,144	373,596,689
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	125,049	125,049
Pension related items	3,124,054	1,584,227	4,708,281
Other postemployments benefits related items	260,330	156,609	416,939
Total Deferred Outflows of Resources	3,384,384	1,865,885	5,250,269
LIABILITIES			
Accounts payable and accrued liabilities	9,283,662	2,069,974	11,353,636
Retention payable	613,236	215,290	828,526
Deposits payable	597,095	306,615	903,710
Due to other governments	13,373	-	13,373
Unearned revenue	4,871,733	1,008,180	5,879,913
Interest payable	199,911	312,349	512,260
Total OPEB liabilities, due within one year	93,821	56,440	150,261
Long-term liabilities:			
Due within one year	2,916,257	3,438,748	6,355,005
Due in more than one year	29,279,802	24,873,936	54,153,738
Net pension liabilities, due in more than one year	2,190,967	1,018,587	3,209,554
Total OPEB liabilities, due in more than one year	2,200,872	1,324,005	3,524,877
Total Liabilities	52,260,729	34,624,124	86,884,853
DEFERRED INFLOWS OF RESOURCES			
Pension related items	2,237,042	860,135	3,097,177
Other postemployment benefits related items	1,366,981	822,351	2,189,332
Lease related items	938,798	-	938,798
Total Deferred Inflows of Resources	4,542,821	1,682,486	6,225,307
NET POSITION			
Net investment in capital assets	196,224,441	35,728,243	231,952,684
Restricted for:			
Low income housing	6,407,361	-	6,407,361
Highways and streets	4,349,873	-	4,349,873
Capital projects	9,552,233	12,172,308	21,724,541
Debt service	-	24,894	24,894
Public safety	141,589	-	141,589
Pension obligation	899,123	358,897	1,258,020
Fire protection	2,264,368	-	2,264,368
Total restricted	23,614,547	12,556,099	36,170,646
Unrestricted	14,059,391	3,554,077	17,613,468
Total Net Position	\$ 233,898,379	\$ 51,838,419	\$ 285,736,798

See accompanying Notes to the Basic Financial Statements.

City of Coachella
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 13,316,990	\$ 17,790	\$ 262,444	\$ -	\$ 280,234
Public safety	17,400,860	393,515	4,257,043	804,314	5,454,872
Community development	5,969,173	1,022,962	1,765,300	-	2,788,262
Public works	12,585,275	3,763,100	12,175,390	5,566,827	21,505,317
Parks and recreation	3,518,920	2,250	-	314,536	316,786
Interest on long-term debt	1,079,008	-	-	-	-
Total governmental activities	53,870,226	5,199,617	18,460,177	6,685,677	30,345,471
Business-type Activities:					
Water utility	8,278,124	6,859,284	-	1,624,062	8,483,346
Sewer utility	7,283,012	7,920,643	-	1,805,873	9,726,516
Total business-type activities	15,561,136	14,779,927	-	3,429,935	18,209,862
Total primary government	\$ 69,431,362	\$ 19,979,544	\$ 18,460,177	\$ 10,115,612	\$ 48,555,333

(Continued)

City of Coachella
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General government	\$ (13,036,756)	\$ -	\$ (13,036,756)
Public safety	(11,945,988)	-	(11,945,988)
Community development	(3,180,911)	-	(3,180,911)
Public works	8,920,042	-	8,920,042
Parks and recreation	(3,202,134)	-	(3,202,134)
Interest on long-term debt	(1,079,008)	-	(1,079,008)
Total governmental activities	(23,524,755)	-	(23,524,755)
Business-type Activities:			
Water utility	-	205,222	205,222
Sewer utility	-	2,443,504	2,443,504
Total business-type activities	-	2,648,726	2,648,726
Total primary government	(23,524,755)	2,648,726	(20,876,029)
General Revenues:			
Property taxes	8,945,307	247,664	9,192,971
Sales and use tax	11,473,654	-	11,473,654
Franchise taxes	1,240,236	-	1,240,236
Transient occupancy tax	1,961,515	-	1,961,515
Utility users tax	3,260,719	-	3,260,719
Construction tax	340,412	-	340,412
Cannabis tax	612,046	-	612,046
Business License	775,581	-	775,581
Investment income	2,048,964	1,209,501	3,258,465
Other revenue	1,322,644	655,313	1,977,957
Transfers	2,048,850	(2,048,850)	-
Total general revenues and transfers	34,029,928	63,628	34,093,556
Change in Net Position	10,505,173	2,712,354	13,217,527
Net Position			
Beginning of year, as previously presented as of June 30, 2024	223,443,646	48,707,586	272,151,232
Change in accounting principle (GASB 101)	(50,440)	4,499	(45,941)
Error correction	-	413,980	413,980
Beginning of year, as restated Note (Note 16)	223,393,206	49,126,065	272,519,271
End of year	\$ 233,898,379	\$ 51,838,419	\$ 285,736,798

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FUND FINANCIAL STATEMENTS



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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Coachella
Balance Sheet
Governmental Funds
June 30, 2025

	Special Revenue Funds			
	General Fund	Development Impact Fees	Grants Fund	Capital Projects Fund
ASSETS				
Cash and investments	\$ 23,809,305	\$ 3,970,292	\$ 5,435,938	\$ -
Receivables:				
Accounts receivable	538,601	-	-	1,214,309
Interest	186,168	21,345	37,123	-
Due from other governments	2,683,246	-	9,660,870	-
Deferred special assessment	-	-	-	-
Loans	-	-	-	-
Lease	944,740	-	-	-
Due from other funds	7,901,957	-	-	10,174,239
Prepaid items	1,955,030	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	-
Advance to other funds	11,164,802	-	-	-
Total assets	\$ 49,183,849	\$ 3,991,637	\$ 15,133,931	\$ 11,388,548
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,298,671	\$ -	\$ 201,585	\$ 2,410,522
Retention payable	-	-	-	613,236
Accrued wages payable	376,015	-	12,291	-
Interest payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	7,900	27,247	9,134,907	7,157,607
Unearned revenue	44,284	126,897	4,538,798	161,754
Deposits payable	566,750	-	-	30,345
Advance from other funds	-	15,977,865	-	-
Total liabilities	5,293,620	16,132,009	13,887,581	10,373,464
Deferred Inflows of Resources:				
Unavailable revenue	560,055	-	9,263,294	726,145
Leases	938,798	-	-	-
Total deferred inflows of resources	1,498,853	-	9,263,294	726,145
Fund Balances:				
Nonspendable	13,097,809	-	-	-
Restricted	-	-	-	288,939
Committed	9,804,903	-	-	-
Assigned	7,238,113	-	-	-
Unassigned (Deficit)	12,250,551	(12,140,372)	(8,016,944)	-
Total fund balances	42,391,376	(12,140,372)	(8,016,944)	288,939
Total liabilities, deferred inflows of resources and fund balances	\$ 49,183,849	\$ 3,991,637	\$ 15,133,931	\$ 11,388,548

(Continued)

City of Coachella
Balance Sheet (Continued)
Governmental Funds
June 30, 2025

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 9,832,455	\$ 43,047,990
Receivables:		
Accounts receivable	11,342	1,764,252
Interest	40,429	285,065
Due from other governments	763,028	13,107,144
Deferred special assessment	2,188,380	2,188,380
Loans	3,738,046	3,738,046
Lease	-	944,740
Due from other funds	711,000	18,787,196
Prepaid items	51,234	2,006,264
Restricted assets:		
Cash and investments with fiscal agent	1,627,502	1,627,502
Advance to other funds	8,473,063	19,637,865
Total assets	\$ 27,436,479	\$ 107,134,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,975,709	\$ 8,886,487
Retention payable	-	613,236
Accrued wages payable	8,869	397,175
Interest payable	-	-
Due to other governments	13,373	13,373
Due to other funds	2,459,535	18,787,196
Unearned revenue	-	4,871,733
Deposits payable	-	597,095
Advance from other funds	1,658,330	17,636,195
Total liabilities	6,115,816	51,802,490
Deferred Inflows of Resources:		
Unavailable revenue	2,493,022	13,042,516
Leases	-	938,798
Total deferred inflows of resources	2,493,022	13,981,314
Fund Balances:		
Nonspendable	51,234	13,149,043
Restricted	10,843,147	11,132,086
Committed	9,133,619	18,938,522
Assigned	-	7,238,113
Unassigned (Deficit)	(1,200,359)	(9,107,124)
Total fund balances	18,827,641	41,350,640
Total liabilities, deferred inflows of resources and fund balances	\$ 27,436,479	\$ 107,134,444

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City of Coachella
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Fund Balances of Governmental Funds	\$	41,350,640
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets and intangible asset used in governmental activities are not financial resources and therefore are not reported in the government funds.		216,606,492
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.		13,042,516
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		(1,097,122)
Long-term debt		(30,099,196)
Claims payable		(999,741)
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.		(199,911)
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		3,124,054
Net pension liability		(2,190,967)
Deferred inflows of resources related to pensions		(2,237,042)
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		260,330
Net other postemployment benefits liability		(2,294,693)
Deferred inflows of resources related to other postemployment benefits		(1,366,981)
Net Position of Governmental Activities	\$	233,898,379

City of Coachella
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	General Fund	Development Impact Fees	Grants Fund	Capital Projects Fund
REVENUES:				
Taxes	\$ 28,241,563	\$ -	\$ -	\$ -
Licenses, permits and fees	700,540	-	-	-
Charges for services	601,270	-	-	-
Fines, forfeitures and penalties	344,786	-	-	-
Intergovernmental	385,269	-	7,551,370	-
Developer fees	-	3,297,276	-	-
Special assessments	-	-	-	-
Investment income	1,587,398	90,656	186,961	-
Net increase (decrease) in the fair value of investments	546,232	79,400	-	-
Other revenue	1,216,068	-	485,548	682,045
Total revenues	33,623,126	3,467,332	8,223,879	682,045
EXPENDITURES:				
Current:				
General government	11,400,431	-	-	-
Public safety - police	11,988,470	-	-	-
Public safety - fire	-	-	-	-
Community development	3,613,194	-	2,090,400	-
Engineering	933,756	-	-	-
Public works	2,497,152	7,200	38,025	-
Public works - parks and recreation	2,678,794	-	-	-
Capital outlay	1,567,686	1,506,874	-	12,426,117
Debt service:				
Principal retirement	303,056	80,679	-	-
Interest and fiscal charges	13,441	313,949	-	-
Total expenditures	34,995,980	1,908,702	2,128,425	12,426,117
Excess (deficiency) of revenues over expenditures	(1,372,854)	1,558,630	6,095,454	(11,744,072)
OTHER FINANCING SOURCES (USES):				
Inception of lease liability	1,408,637	-	-	-
Transfers in	5,335,595	-	-	12,894,199
Transfers out	(7,329,685)	-	(9,778,220)	(588,774)
Total other financing sources (uses)	(585,453)	-	(9,778,220)	12,305,425
Net change in fund balances	(1,958,307)	1,558,630	(3,682,766)	561,353
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	44,349,683	(13,699,002)	(4,334,178)	(272,414)
Change within financial reporting entity: (major to nonmajor)	-	-	-	-
Beginning of year, as restated (Note 16)	44,349,683	(13,699,002)	(4,334,178)	(272,414)
End of year	\$ 42,391,376	\$ (12,140,372)	\$ (8,016,944)	\$ 288,939

(Continued)

City of Coachella
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2025

	Debt Repayment Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes		\$ 1,351,627	\$ 29,593,190
Licenses, permits and fees		-	700,540
Charges for services		51,700	652,970
Fines, forfeitures and penalties		-	344,786
Intergovernmental		3,376,507	11,313,146
Developer fees		-	3,297,276
Special assessments		5,848,133	5,848,133
Investment income		169,485	2,034,500
Net increase (decrease) in the fair value of investments		55,956	681,588
Other revenue		8,915	2,392,576
Total revenues		10,862,323	56,858,705
EXPENDITURES:			
Current:			
General government		-	11,400,431
Public safety - police		503	11,988,973
Public safety - fire		5,303,416	5,303,416
Community development		-	5,703,594
Engineering		-	933,756
Public works		2,647,024	5,189,401
Public works - Parks and recreation		-	2,678,794
Capital outlay		4,604,245	20,104,922
Debt service:			
Principal retirement		1,456,688	1,840,423
Interest and fiscal charges		978,075	1,305,465
Total expenditures		14,989,951	66,449,175
Excess (deficiency) of revenues over expenditures		(4,127,628)	(9,590,470)
OTHER FINANCING SOURCES (USES):			
Inception of lease liability		-	1,408,637
Transfers in		6,151,730	24,381,524
Transfers out		(4,635,995)	(22,332,674)
Total other financing sources (uses)		1,515,735	3,457,487
Net change in fund balances		(2,611,893)	(6,132,983)
FUND BALANCES:			
Beginning of year, as previously presented as of June 30, 2024	11,369,278	10,070,256	47,483,623
Change within financial reporting entity: (major to nonmajor)	(11,369,278)	11,369,278	-
Beginning of year, as restated (Note 16)	-	21,439,534	47,483,623
End of year	\$ -	\$ 18,827,641	\$ 41,350,640

(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, 2025

Net Change in Fund Balances - Governmental Funds	\$	(6,132,983)
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		19,385,695
Depreciation		(6,899,166)
Net effect on disposal of capital assets		(468,598)
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the governmental funds.		
		5,636,354
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		1,840,423
Issuance of debt		(1,408,637)
Claim payments		145,901
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.		
		(325,411)
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.		
		57,947
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.		
		(1,259,940)
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.		
		<u>(66,412)</u>
Change in Net Position of Governmental Activities	\$	<u><u>10,505,173</u></u>

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Coachella
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities		
	Enterprise Funds		
ASSETS	Water Authority	Sanitary District	Total
Current Assets:			
Cash and investments	\$ 3,422,052	\$ 10,074,249	\$ 13,496,301
Restricted cash	12,172,308	-	12,172,308
Investments with fiscal agent	1,356,977	638,764	1,995,741
Accounts receivable, net	1,436,812	940,486	2,377,298
Interest receivable	88,716	47,404	136,120
Due from other government	-	59,621	59,621
Prepaid items	646	16,270	16,916
Total current assets	<u>18,477,511</u>	<u>11,776,794</u>	<u>30,254,305</u>
Noncurrent Assets:			
Capital assets:			
Capital assets not being depreciated	1,363,503	4,156,741	5,520,244
Capital assets being depreciated and amortized	65,372,910	64,109,273	129,482,183
Less: accumulated depreciation and amortized	<u>(39,489,963)</u>	<u>(37,485,955)</u>	<u>(76,975,918)</u>
Total capital assets	<u>27,246,450</u>	<u>30,780,059</u>	<u>58,026,509</u>
Total noncurrent assets	<u>27,246,450</u>	<u>30,780,059</u>	<u>58,026,509</u>
Total assets	<u>45,723,961</u>	<u>42,556,853</u>	<u>88,280,814</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges from debt refunding	-	125,049	125,049
Deferred amount related to pensions	728,440	855,787	1,584,227
Deferred amount related to other postemployment benefits	78,283	78,326	156,609
Total deferred outflows of resources	<u>806,723</u>	<u>1,059,162</u>	<u>1,865,885</u>

(Continued)

City of Coachella
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	911,742	961,705	1,873,447
Retention payable	108,335	106,955	215,290
Accrued wages payable	98,730	97,797	196,527
Deposits payable	306,615	-	306,615
Interest payable	176,601	135,748	312,349
Unearned revenue	-	1,008,180	1,008,180
Advance from other fund, due within one year	22,023	-	22,023
Compensated absences, due within one year	205,632	207,535	413,167
Bonds payable, due within one year	895,285	497,598	1,392,883
Loans payable, due within one year	-	1,567,252	1,567,252
Lease liability, due within one year	32,723	32,723	65,446
Total other postemployment benefits liability, due within one year	28,212	28,228	56,440
Total current liabilities	2,785,898	4,643,721	7,429,619
Noncurrent Liabilities:			
Advance from other fund, due in more than one year	1,979,647	-	1,979,647
Compensated absences, due in more than one year	103,381	140,202	243,583
Bonds payable, due in more than one year	11,160,913	9,745,724	20,906,637
Loans payable, due in more than one year	-	3,573,099	3,573,099
Lease liability, due in more than one year	75,308	75,309	150,617
Net pension liability, due in more than one year	468,354	550,233	1,018,587
Total other postemployment benefits liability, due in more than one year	661,819	662,186	1,324,005
Total noncurrent liabilities	14,449,422	14,746,753	29,196,175
Total liabilities	17,235,320	19,390,474	36,625,794
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	395,497	464,638	860,135
Deferred amount related to other postemployment benefits	411,061	411,290	822,351
Total deferred inflows of resources	806,558	875,928	1,682,486
NET POSITION			
Net investment in capital assets	17,962,134	17,766,109	35,728,243
Restricted for capital projects	12,172,308	-	12,172,308
Restricted for pension obligation bonds	170,984	187,913	358,897
Restricted for debt service	24,124	770	24,894
Unrestricted	(1,840,744)	5,394,821	3,554,077
Total Net Position	\$ 28,488,806	\$ 23,349,613	\$ 51,838,419

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City of Coachella
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities		Total
	Enterprise Funds		
	Water Authority	Sanitary District	
OPERATING REVENUES			
Charges for services	\$ 6,859,284	\$ 7,920,643	\$ 14,779,927
Other revenue	654,168	1,145	655,313
Total operating revenue	<u>7,513,452</u>	<u>7,921,788</u>	<u>15,435,240</u>
OPERATING EXPENSES			
Salaries and benefits expense	2,667,695	2,765,088	5,432,783
Pension expense	319,567	374,043	693,610
OPEB expense	51,151	40,842	91,993
Administrative and general	598,860	365,041	963,901
Professional services	574,420	425,934	1,000,354
Materials and supplies	437,386	258,226	695,612
Repairs and maintenance	660,374	134,684	795,058
Utilities	1,312,082	882,058	2,194,140
Depreciation and amortization	1,204,808	1,545,071	2,749,879
Total operating expenses	<u>7,826,343</u>	<u>6,790,987</u>	<u>14,617,330</u>
Operating income	<u>(312,891)</u>	<u>1,130,801</u>	<u>817,910</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes	-	247,664	247,664
Investment income	499,422	242,135	741,557
Net increase in the fair value of investments	312,314	155,630	467,944
Interest expense and fiscal charges	(451,781)	(492,025)	(943,806)
Total nonoperating revenues (expenses)	<u>359,955</u>	<u>153,404</u>	<u>513,359</u>
Loss before contributions and transfers	<u>47,064</u>	<u>1,284,205</u>	<u>1,331,269</u>
CONTRIBUTIONS AND TRANSFERS			
Connection charges	998,534	594,591	1,593,125
Intergovernmental revenue	625,528	1,211,282	1,836,810
Transfer in	200,000	-	200,000
Transfer out	(1,086,287)	(1,162,563)	(2,248,850)
Total contributions and transfers	<u>737,775</u>	<u>643,310</u>	<u>1,381,085</u>
Change in net position	784,839	1,927,515	2,712,354
NET POSITION			
Beginning of year, as previously presented as of June 30, 2024	27,693,958	21,013,628	48,707,586
Change in accounting principle (GASB 101)	10,009	(5,510)	4,499
Error correction	-	413,980	413,980
Beginning of year, as restated Note (Note 16)	<u>27,703,967</u>	<u>21,422,098</u>	<u>49,126,065</u>
End of year	<u>\$ 28,488,806</u>	<u>\$ 23,349,613</u>	<u>\$ 51,838,419</u>

City of Coachella
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 7,534,144	\$ 9,075,952	\$ 16,610,096
Cash payments to vendors and suppliers	(3,134,728)	(1,442,451)	(4,577,179)
Cash payments to employees for services	(2,602,242)	(2,680,587)	(5,282,829)
Net cash provided by operating activities	<u>1,797,174</u>	<u>4,952,914</u>	<u>6,750,088</u>
Cash Flows From Noncapital Financing Activities:			
Property taxes received	-	247,664	247,664
Cash transferred/paid to other funds	(886,287)	(1,162,563)	(2,048,850)
Principal paid on pension obligation bonds	(144,725)	(159,241)	(303,966)
Interest paid on pension obligation bonds	(47,031)	(51,749)	(98,780)
Net cash (used in) noncapital financing activities	<u>(1,078,043)</u>	<u>(1,125,889)</u>	<u>(2,203,932)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(3,040,904)	(2,343,414)	(5,384,318)
Connection charges received	998,534	594,591	1,593,125
Intergovernmental revenue	625,528	1,207,483	1,833,011
Principal paid on capital debt	(663,166)	(1,869,265)	(2,532,431)
Interest paid on capital debt	(506,457)	(451,791)	(958,248)
Net cash provided by (used in) capital and related financing activities	<u>(2,586,465)</u>	<u>(2,862,396)</u>	<u>(5,448,861)</u>
Cash Flows From Investing Activities:			
Investment income received	825,930	397,093	1,223,023
Net cash provided by investing activities	<u>825,930</u>	<u>397,093</u>	<u>1,223,023</u>
Net change in cash and cash equivalents	(1,041,404)	1,361,722	320,318
Cash and Cash Equivalents:			
Beginning of year	17,992,741	9,351,291	27,344,032
End of year	<u>\$ 16,951,337</u>	<u>\$ 10,713,013</u>	<u>\$ 27,664,350</u>
Cash and Cash Equivalents:			
Cash and investments	\$ 3,422,052	\$ 10,074,249	\$ 13,496,301
Restricted cash	12,172,308	-	12,172,308
Investment with fiscal agent	1,356,977	638,764	1,995,741
Total cash and cash equivalents	<u>\$ 16,951,337</u>	<u>\$ 10,713,013</u>	<u>\$ 27,664,350</u>
Noncash Capital and Related Financing Activities			
Amortization of premium on bonds and deferred charges	<u>\$ (88,524)</u>	<u>\$ 114</u>	<u>\$ (88,410)</u>
Inception of lease asset	<u>\$ 136,197</u>	<u>\$ 136,197</u>	<u>\$ 272,394</u>
Issuance of lease liability	<u>\$ 136,197</u>	<u>\$ 136,197</u>	<u>\$ 272,394</u>
Noncash Investing Activities			
Net increase in fair value of investment	<u>\$ 312,314</u>	<u>\$ 155,630</u>	<u>\$ 467,944</u>

(Continued)

City of Coachella
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities		
	Enterprise Funds		
	Water Authority	Sanitary District	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (312,891)	\$ 1,130,801	\$ 817,910
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,204,808	1,545,071	2,749,879
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	58,288	145,984	204,272
Decrease (increase) in prepaid items	1,683	3,103	4,786
Decrease (increase) in deferred outflows of resources - pensions	716,582	830,943	1,547,525
Decrease (increase) in deferred outflows of resources - OPEB	26,674	27,198	53,872
Increase (decrease) in accounts payable	446,711	620,389	1,067,100
Increase (decrease) in accrued wages payable	8,478	10,311	18,789
Increase (decrease) in deposits payable	(16,819)	-	(16,819)
Increase (decrease) in unearned revenue	-	1,008,180	1,008,180
Increase (decrease) in advance from other fund	(20,777)	-	(20,777)
Increase (decrease) in compensated absences	123,105	134,740	257,845
Increase (decrease) in net pension liability	(53,199)	(58,560)	(111,759)
Increase (decrease) in net OPEB liability	(79,768)	(83,539)	(163,307)
Increase (decrease) in deferred inflows of resources - pensions	(343,816)	(398,340)	(742,156)
Increase (decrease) in deferred inflows of resources - OPEB	38,115	36,633	74,748
Total adjustments	2,110,065	3,822,113	5,932,178
Net cash provided by operating activities	\$ 1,797,174	\$ 4,952,914	\$ 6,750,088

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FIDUCIARY FUND FINANCIAL STATEMENTS



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City of Coachella
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Successor Agency Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 656,418	\$ 3,242,446
Cash and investments with fiscal agent	2,126	-
Receivables:		
Accounts	-	127,118
Interest	-	13,682
Prepaid items	147,042	-
Land held for resale	906,960	-
Total assets	1,712,546	3,383,246
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	10,249	-
LIABILITIES		
Accounts payable	1,500	49,767
Accrued interest	306,437	-
Long-term liabilities:		
Due within one year	2,141,886	-
Due in more than one year	21,738,083	-
Total liabilities	24,187,906	49,767
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	175,303	-
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organization, and other governments	\$ (22,640,414)	\$ 3,333,479

City of Coachella
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Successor Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Redevelopment Property Tax Trust Fund	\$ 2,990,448	\$ -
Assessment revenue collected	-	431,092
Investment income	8,902	66,358
Net increase in the fair value of investments	-	45,709
Refuse revenue collected for other organization	-	3,726,499
Other revenue	86,983	-
Total additions	3,086,333	4,269,658
DEDUCTIONS:		
Interest and fiscal charges	800,974	-
Administrative expense	35,193	-
Payment of special assessment district expense	-	385,794
Payment of refuse revenue to other organization	-	3,613,356
Total deductions	836,167	3,999,150
Change in net position	2,250,166	270,508
NET POSITION (DEFICIT):		
Beginning of year	(24,890,580)	3,062,971
End of year	\$ (22,640,414)	\$ 3,333,479

NOTES TO THE BASIC FINANCIAL STATEMENTS



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City of Coachella
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For the Fiscal Year Ended June 30, 2025

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City of Coachella
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For the Fiscal Year Ended June 30, 2025

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City of Coachella
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 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 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 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 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, 2025

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, 2025

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 60 days of the end of the current fiscal period including for property taxes, which is also 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.

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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

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

Proprietary Fund Financial Statements (Continued)

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

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

The City reports the following major proprietary funds:

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

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and a private purpose trust fund. Both custodial funds and the private purpose trust funds are reported using the "economic resources" measurement focus and 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 custodian capacity for 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.

C. Cash and Investments

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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

D. Fair Value Measurement

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

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

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

E. Property Taxes Receivable

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

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

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

F. Prepaid Items

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

G. Land Held for Resale

The former Redevelopment Agency acquired several parcels of land as part of its primary purpose to develop or redevelop blighted areas. The properties are held by the Successor Agency at the lower of cost or estimated net realizable value.

H. 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).

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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

H. Interfund Transactions (Continued)

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.

I. Lease Receivable and Related Deferred Inflows of Resources

The City is a lessor for leases of land and buildings and recognizes lease receivables and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. The City established a threshold of \$12,000 (undiscounted) for lease receivables. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses incremental borrowing rate (IBR) provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

J. Capital Assets

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

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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

J. Capital Assets (Continued)

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

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

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

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

K. 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.

L. Lease Payable and Right-to-Use Assets

The City recognizes lease liabilities and right-to-use assets with an initial, individual value of \$12,000 (undiscounted) or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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

L. Lease Payable and Right-to-Use Assets (Continued)

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by an lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the State has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

M. 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.

N. Compensated Absences

City employees have vested interest in varying levels of vacation, sick leave and compensatory time based on their length of employment. The liability for compensated absences is recognized when leave is earned, based on the employee's pay rate in effect at the financial statement date, including any applicable salary-related costs. The liability includes only amounts attributable to services already rendered that are more likely than not to be paid or used. 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.

O. 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, 2025

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

P. 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, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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.

Q. 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, 2024
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

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.

R. 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 a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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

S. 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 (if any).

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.

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.

T. 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, 2025

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

T. 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.

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.

U. 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.

V. Implementation of New GASB Pronouncements

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Implementation of this Statement resulted in a restatement of the beginning fund balance as of July 1, 2024, as presented in Note 16.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. The City has evaluated its exposure to financial risk stemming from concentrations and constraints. Management has determined that no concentration exists for the fiscal year ended June 30, 2025.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 2 – Cash and Investments

Cash and investments at June 30, 2025 are classified as follows:

	Government-Wide		Statement of Fiduciary Net Position	Total
	Statement of Net Position			
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 43,047,990	\$ 13,496,301	\$ 3,898,864	\$ 60,443,155
Restricted cash	-	12,172,308	-	12,172,308
Cash and investment with fiscal agent	1,627,502	1,995,741	2,126	3,625,369
Total cash and investments	<u>\$ 44,675,492</u>	<u>\$ 27,664,350</u>	<u>\$ 3,900,990</u>	<u>\$ 76,240,832</u>

Cash and investments at June 30, 2025 consisted of the following:

Cash and Investments:	
Petty cash	\$ 5,500
Deposits with financial institutions	17,949,806
Investments	58,285,526
Total cash investments	<u>\$ 76,240,832</u>

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$17,949,806 at June 30, 2025. Bank balances at that date were \$17,907,805, the total amount of which was insured or collateralized with accounts held by the pledging financial institutions in the City’s name as discussed below.

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

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

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

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

B. Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

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 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, 2025

Note 2 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2025, 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, 2025:

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	\$ 17,954,163	\$ 17,954,163	\$ -	\$ -
US government sponsored enterprise securities ^{(1) (2)}	8,413,166	-	8,413,166	-
Corporate note ⁽¹⁾	10,250,797	-	10,250,797	-
Municipal bonds ⁽⁴⁾	150,000	-	150,000	-
Money market funds	97,619	-	-	97,619
LAIF	17,794,412	-	-	17,794,412
Investments with Fiscal Agent:				
Money market funds	3,625,369	-	-	3,625,369
Total investments	\$ 58,285,526	\$ 17,954,163	\$ 18,813,963	\$ 21,517,400

⁽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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

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. 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	\$17,954,163	\$ 2,831,799	\$ 2,525,905	\$ 6,126,724	\$ 302,017	\$ 6,167,718
US government sponsored enterprise securities	8,413,166	714,799	1,099,035	1,079,304	4,842,686	677,342
Corporate note	10,250,797	71,069	2,008,209	1,485,913	3,639,761	3,045,845
Municipal bonds ⁽⁴⁾	150,000	150,000	-	-	-	-
Money market funds	97,619	97,619	-	-	-	-
LAIF	17,794,412	17,794,412	-	-	-	-
Investments with Fiscal Agent:						
Money market funds	3,625,369	3,625,369	-	-	-	-
Total investments	<u>\$58,285,526</u>	<u>\$25,285,067</u>	<u>\$ 5,633,149</u>	<u>\$ 8,691,941</u>	<u>\$ 8,784,464</u>	<u>\$ 9,890,905</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
Investments:						
US Treasury	N/A	\$17,954,163	\$17,954,163	\$ -	\$ -	\$ -
US government sponsored enterprise securities	N/A	8,413,166	8,413,166	-	-	-
Corporate note	A	10,250,797	2,420,107	1,578,775	5,765,953	485,962
Municipal bonds	A	150,000	-	-	150,000	-
Money market funds	N/A	97,619	97,619	-	-	-
LAIF	N/A	17,794,412	-	-	-	17,794,412
Investments with Fiscal Agent:						
Money market funds	N/A	3,625,369	3,625,369	-	-	-
Total investments		<u>\$58,285,526</u>	<u>\$32,510,424</u>	<u>\$ 1,578,775</u>	<u>\$ 5,915,953</u>	<u>\$18,280,374</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

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. The City invested in Federal Home Loan Mortgage Corporate (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total City's investments as of June 30, 2025 at 15%.

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, 2025, 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. As of June 30, 2025, the City had \$17,794,412 invested in LAIF. 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, 2025

Note 3 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2025, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds			Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 7,900	\$ -	\$ 7,900
Development Impact Fees Fund	27,247	-	-	27,247
Grants Revenue Fund	-	9,134,907	-	9,134,907
Capital Projects Fund	7,157,607	-	-	7,157,607
Nonmajor Governmental Funds	717,103	1,031,432	711,000	2,459,535
Total	\$ 7,901,957	\$ 10,174,239	\$ 711,000	\$ 18,787,196

The General Fund reported an interfund payable to the Capital Projects Fund for was for the Veteran’s Park Splash Pad project in the amount of \$7,900.

The Development Impact Fees Fund reported an interfund payable for short-term cash borrowing in the amount of \$27,247.

The Grants Special Revenue Fund reported an interfund payable to the Capital Projects Fund for grant funding to be provided in the amount of \$9,134,906.

The Capital Projects Fund reported an interfund payable for short-term cash borrowing in the amount of \$7,157,607.

The Nonmajor Governmental Funds reported an interfund payable in the amount of \$2,459,535:

- \$424,423 for short-term cash borrowing
- \$711,000: \$365,600 for debt service for gas tax bonds and \$345,400 for short-term cash borrowing.
- \$741,818 for SB1 funds for street improvements
- \$292,681 for short-term cash borrowing
- \$289,614 for CDBG funding for basketball court at Bagdouma Park

B. Advances To/From Other Funds

At June 30, 2025, the City had the following advances to/from other funds:

Advance To Other Fund	Advance From Other Funds			Total
	Development Impact Fees Special Revenue Fund	Nonmajor Governmental Funds	Water Authority Enterprise Fund	
General Fund	\$ 7,504,802	\$ 1,658,330	\$ 2,001,670	\$ 11,164,802
Nonmajor Governmental Funds	8,473,063	-	-	8,473,063
Total	\$ 15,977,865	\$ 1,658,330	\$ 2,001,670	\$ 19,637,865

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 3 – Interfund Transactions (Continued)

B. Advances To/From Other Fund (Continued)

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 a total of \$1,382,500. During the year ended June 30, 2018, the City Council approved an 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, 2025, principal amount outstanding was in the amount of \$3,381,925. As of June 30, 2025, \$8,473,063 was the remaining balance of the advances to the Library Development Impact Fee Special Revenue Fund for the construction of the library from Lease Revenue Bonds Debt Service Fund.

General Government Impact Fee Loans

During the year ended June 30, 2018, the City Council approved an 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 an 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 an 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, 2025, principal amount outstanding and accrued interest outstanding was in the amounts of \$4,122,877.

Dillon Road Project Loan

On February 28, 2024, the City Council approved an interfund loan from the General Fund to the Dillon Road Project Special Revenue Fund for the construction of Dillon Road. It was estimated to repay the General Fund in 15 years with no interest accrued. At June 30, 2025, the amount outstanding was in the amount of \$1,658,330.

Water Authority Loan

In 2003 the City formed the Coachella Water Authority (Authority) under a Joint Powers Agreement. As part of the Authority formation, the City contributed the existing water system to the Authority under a lease agreement. The lease agreement specifies equal annual lease payments through July 1, 2058.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 3 – Interfund Transactions (Continued)

B. Advances To/From Other Fund (Continued)

Water Authority Loan (Continued)

The lease agreement specifies interest at 6% annually.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 22,023	\$ 120,100	\$ 142,123
2027	23,344	118,779	142,123
2028	24,745	117,378	142,123
2029	26,230	115,893	142,123
2030	27,803	114,320	142,123
2031-2035	166,135	544,481	710,616
2036-2040	222,327	488,290	710,617
2041-2045	297,523	413,093	710,616
2046-2050	398,153	312,463	710,616
2051-2055	532,819	177,798	710,617
2056-2057	260,568	23,679	284,247
Total Future Repayments	<u>\$ 2,001,670</u>	<u>\$ 2,546,274</u>	<u>\$ 4,547,944</u>

C. Transfers

During the year ended June 30, 2025, the City had the following transfers:

Transfers in					
Transfers out	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water Authority Enterprise Fund	Total
General Fund	\$ -	\$ 2,160,679	\$ 4,969,006	\$ 200,000	\$ 7,329,685
Grants Special Revenue Fund	285,976	9,492,244	-	-	9,778,220
Capital Projects Fund	-	-	588,774	-	588,774
Nonmajor Governmental Funds	2,840,190	1,201,855	593,950	-	4,635,995
Water Authority Enterprise Fund	1,066,576	19,711	-	-	1,086,287
Sanitary District Enterprise Fund	1,142,853	19,710	-	-	1,162,563
Total	<u>\$ 5,335,595</u>	<u>\$ 12,894,199</u>	<u>\$ 6,151,730</u>	<u>\$ 200,000</u>	<u>\$ 24,581,524</u>

Transfers from Grants Special Revenue Fund, Nonmajor Governmental Funds (Landscape and Lighting District Special Revenue Fund), Water Authority Enterprise Fund and Sanitary District Enterprise Fund to General Fund were to provide funding for administrative expenses in the amounts of \$285,976, \$2,840,190, \$1,066,576 and \$1,142,853, respectively.

Transfers to the Capital Projects Fund in the amount of \$12,894,199 were to provide funding for Capital Projects.

Transfer from General Fund, Capital Projects Fund, Nonmajor Governmental Funds to Nonmajor Governmental Funds:

- \$2,315,247 was to provide funding for repayment of the pension obligation bonds, lease revenue bonds, and gas tax revenue refunding bonds.
- \$453,271 was to subsidize grant related activities.
- \$3,383,212 was to support public safety costs incurred by the Fire Protection District.

Transfer from General Fund to Water Authority Enterprise Fund for or the Mesquite Water Mutual Association for the emergency generator for well 16 located at Tyler and Avenue 54 in the amount of \$200,000.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 4 – Deferred Special Assessment Receivable

To facilitate the construction of low income housing, the City entered into a prepayment agreement with local developers 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 amounts totaled to \$17,842,000 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 \$2,118,380 (\$65,099 accrued interest, and \$2,053,281 deferred assessments) at June 30, 2025.

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, 2025 was \$3,738,046.

Note 6 – Lease Receivable

Lease receivable consists of agreements with other for the right-to-use of the underlying assets for land and buildings owned by the City at various location. The remaining terms of the agreements range from 1 to 28 years. The incremental borrowing rate used was 2% and 2.47%. For the year ended June 30, 2025, the City recognized \$97,737 in lease revenue and \$9,053 in interest revenue for General Fund. The outstanding receivable is \$944,740 in the General fund.

The future required payments for these leases, including interest, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 89,327	\$ 10,234	\$ 99,561
2027	83,035	12,411	95,446
2028	83,106	14,685	97,791
2029	73,453	10,573	84,026
2030	62,980	15,467	78,447
2031-2035	278,146	92,052	370,198
2036-2040	103,069	53,042	156,111
2041-2045	100,727	71,632	172,359
2046-2049	70,897	63,874	134,771
Total	\$ 944,740	\$ 343,970	\$ 1,288,710

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 7 – Capital Assets

The summary of changes in capital assets for the governmental activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Transfer	Balance June 30, 2025
<i>Capital assets not being depreciated:</i>					
Land	\$ 18,211,458	\$ -	\$ -	\$ 4,856,603	\$ 23,068,061
Construction in progress	31,991,108	17,695,335	(446,037)	(21,749,689)	27,490,717
Total capital assets not being depreciated	<u>50,202,566</u>	<u>17,695,335</u>	<u>(446,037)</u>	<u>(16,893,086)</u>	<u>50,558,778</u>
<i>Capital assets being depreciated / amortized:</i>					
Buildings	28,078,360	-	-	8,434,050	36,512,410
Machinery and equipment	2,777,897	298,254	-	-	3,076,151
Infrastructure	231,118,172	-	-	8,459,036	239,577,208
Lease assets:					
Right to use - leased building	31,496	-	(31,496)	-	-
Right to use - leased equipment	28,244	31,752	(5,735)	-	54,261
Right to use - leased vehicle	-	1,360,354	-	-	1,360,354
Total capital assets being depreciated / amortized	<u>262,034,169</u>	<u>1,690,360</u>	<u>(37,231)</u>	<u>16,893,086</u>	<u>280,580,384</u>
<i>Less accumulated depreciation / amortization for:</i>					
Buildings	(8,813,041)	(656,315)	-	-	(9,469,356)
Machinery and equipment	(1,557,897)	(290,879)	-	-	(1,848,776)
Infrastructure	(97,243,819)	(5,663,283)	-	-	(102,907,102)
Lease assets:					
Right to use - leased building	(9,624)	-	9,624	-	-
Right to use - leased equipment	(23,793)	-	5,046	-	(18,747)
Right to use - leased vehicle	-	(288,689)	-	-	(288,689)
Total accumulated depreciation / amortization	<u>(107,648,174)</u>	<u>(6,899,166)</u>	<u>14,670</u>	<u>-</u>	<u>(114,532,670)</u>
Total capital assets being depreciated/amortized , net	<u>154,385,995</u>	<u>(5,208,806)</u>	<u>(22,561)</u>	<u>16,893,086</u>	<u>166,047,714</u>
Total governmental activities	<u>\$ 204,588,561</u>	<u>\$ 12,486,529</u>	<u>\$ (468,598)</u>	<u>\$ -</u>	<u>\$ 216,606,492</u>

Depreciation expense was charged to the governmental activities as follows:

General government	\$ 1,198,889
Public safety - fire	18,497
Public works	4,849,257
Public works - parks and recreation	832,523
Total depreciation expense	<u>\$ 6,899,166</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 7 – Capital Assets (Continued)

The summary of changes in capital assets for the business-type activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reclassification	Balance June 30, 2025
<i>Capital assets not being depreciated:</i>				
Land	\$ 909,917	\$ -	\$ -	\$ 909,917
Construction in progress	1,934,637	5,487,896	(2,812,206)	4,610,327
Total capital assets not being depreciated	<u>2,844,554</u>	<u>5,487,896</u>	<u>(2,812,206)</u>	<u>5,520,244</u>
<i>Capital assets being depreciated / amortized:</i>				
Buildings	1,221,305	-	-	1,221,305
Machinery and equipment	13,594,143	64,298	-	13,658,441
Infrastructure	111,517,837	-	2,812,206	114,330,043
Lease assets:				
Right to use - leased vehicle	-	272,394	-	272,394
Total capital assets being depreciated / amortized	<u>126,333,285</u>	<u>336,692</u>	<u>2,812,206</u>	<u>129,482,183</u>
<i>Less accumulated depreciation / amortization for:</i>				
Buildings	(798,134)	(27,426)	-	(825,560)
Machinery and equipment	(11,853,778)	(294,062)	-	(12,147,840)
Infrastructure	(61,574,127)	(2,370,585)	-	(63,944,712)
Lease assets:				
Right to use - leased vehicle	-	(57,806)	-	(57,806)
Total accumulated depreciation / amortization	<u>(74,226,039)</u>	<u>(2,749,879)</u>	<u>-</u>	<u>(76,975,918)</u>
Total capital assets being depreciated / amortization, net	<u>52,107,246</u>	<u>(2,413,187)</u>	<u>2,812,206</u>	<u>52,506,265</u>
Total business-type activities	<u>\$ 54,951,800</u>	<u>\$ 3,074,709</u>	<u>\$ -</u>	<u>\$ 58,026,509</u>

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

Water	\$ 1,204,808
Sanitary	1,545,071
Total depreciation and amortization expense	<u>\$ 2,749,879</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities

A. Governmental Activities

Summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2025 is as follows:

	Balance			Balance June 30, 2025	Classification	
	July 1, 2024 (As restated)	Additions	Deletions		Due within One Year	Due in more than One Year
Loans payable	\$ 682,605	\$ -	\$ (80,679)	\$ 601,926	\$ 83,966	\$ 517,960
Pension Obligation Bonds Series 2020	10,365,076	-	(761,035)	9,604,041	771,753	8,832,288
2023 Energy Improvement Financing Agreement	5,220,458	-	(165,654)	5,054,804	176,615	4,878,189
Revenue Bonds:						
2016 Lease Revenue Bonds	9,820,000	-	(325,000)	9,495,000	340,000	9,155,000
2016 Bond premium	178,569	-	(8,117)	170,452	8,117	162,335
Gas Tax Revenue Refunding Bonds						
Series 2019	3,790,000	-	(205,000)	3,585,000	215,000	3,370,000
2019 Bond premium	510,760	-	(39,039)	471,721	39,039	432,682
Total revenue bonds	14,299,329	-	(577,156)	13,722,173	602,156	13,120,017
Lease payable	10,670	1,408,637	(303,055)	1,116,252	328,769	787,483
Compensated absences	771,711	325,411 *	-	1,097,122	798,196	298,926
Claims payable	1,145,642	62,343	(208,244)	999,741	154,802	844,939
Total	\$ 32,495,491	\$ 1,796,391	\$ (2,095,823)	\$ 32,196,059	\$ 2,916,257	\$ 29,279,802

* The change in the compensated absences liability is presented as a net change.

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, 2025 was in the amount of \$601,926.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 83,966	\$ 22,549	\$ 106,515
2027	87,387	19,128	106,515
2028	90,947	15,568	106,515
2029	94,653	11,862	106,515
2030	98,509	8,006	106,515
2031-2032	146,464	4,433	150,897
Total	\$ 601,926	\$ 81,546	\$ 683,472

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, 2025 was in the amount of \$9,495,000.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2016 Lease Revenue Bonds (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 340,000	\$ 271,731	\$ 611,731
2027	350,000	258,131	608,131
2028	365,000	244,131	609,131
2029	375,000	236,831	611,831
2030	380,000	228,863	608,863
2031-2035	2,050,000	1,006,988	3,056,988
2036-2040	2,335,000	711,100	3,046,100
2041-2045	2,710,000	337,350	3,047,350
2046	590,000	17,700	607,700
Total	<u>\$ 9,495,000</u>	<u>\$ 3,312,825</u>	<u>\$ 12,807,825</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, 2025 was in the amount of \$3,585,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 215,000	\$ 143,400	\$ 358,400
2027	225,000	134,800	359,800
2028	235,000	125,800	360,800
2029	240,000	116,400	356,400
2030	250,000	106,800	356,800
2031-2035	1,425,000	374,800	1,799,800
2036-2038	995,000	80,600	1,075,600
Total	<u>\$ 3,585,000</u>	<u>\$ 1,082,600</u>	<u>\$ 4,667,600</u>

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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Pension Obligation Bonds – Series 2020 (Continued)

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		
	Principal	Interest	Total	Water Authority		
				Principal	Interest	Total
2026	\$ 771,753	\$ 247,315	\$ 1,019,068	\$ 146,762	\$ 47,031	\$ 193,793
2027	786,045	233,649	1,019,694	149,480	44,432	193,912
2028	800,337	217,203	1,017,540	152,198	41,305	193,503
2029	821,774	198,023	1,019,797	156,275	37,658	193,933
2030	843,212	176,755	1,019,967	160,352	33,613	193,965
2031-2035	4,580,499	513,909	5,094,408	871,063	97,729	968,792
2036	1,000,421	16,177	1,016,598	190,249	3,076	193,325
Total	\$ 9,604,041	\$ 1,603,031	\$ 11,207,072	\$ 1,826,379	\$ 304,844	\$ 2,131,223

Year ending June 30,	Business-Activities			Total		
	Sanitary District			Principal	Interest	Total
	Principal	Interest	Total			
2026	\$ 161,485	\$ 51,749	\$ 213,234	\$ 1,080,000	\$ 346,095	\$ 1,426,095
2027	164,475	48,889	213,364	1,100,000	326,970	1,426,970
2028	167,465	45,448	212,913	1,120,000	303,956	1,423,956
2029	171,951	41,435	213,386	1,150,000	277,116	1,427,116
2030	176,436	36,985	213,421	1,180,000	247,353	1,427,353
2031-2035	958,438	107,532	1,065,970	6,410,000	719,170	7,129,170
2036	209,330	3,385	212,715	1,400,000	22,638	1,422,638
Total	\$ 2,009,580	\$ 335,423	\$ 2,345,003	\$ 13,440,000	\$ 2,243,298	\$ 15,683,298

2023 Energy Improvement Financing Agreement

On October 25, 2023 the City of Coachella entered an Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp to purchase certain equipment with a cost not to exceed \$15,600,000 and interest rate not to exceed 4.35% constituting personal property necessary for the City to perform essential governmental functions. The final total project cost is \$7,817,600. Principal is payable in semi-annual installments ranging from \$230,000 to \$527,000 commencing May 1, 2024 through November 1, 2043. The liability was allocated between the governmental activities and business-type activities.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2023 Energy Improvement Financing Agreement (Continued)

The annual principal requirements for the governmental activities and the business-type activities to amortize the outstanding 2023 Energy Improvement Financing Agreement are as follows:

Year ending June 30,	Governmental Activities			Business-Activities		
	Principal	Interest	Total	Sanitary District		
				Principal	Interest	Total
2026	\$ 176,615	\$ 215,745	\$ 392,360	\$ 68,919	\$ 84,189	\$ 153,108
2027	184,287	207,906	392,193	71,913	81,130	153,043
2028	192,293	199,727	392,020	75,037	77,938	152,975
2029	200,645	191,192	391,837	78,297	74,608	152,905
2030	209,362	182,287	391,649	81,698	71,132	152,905
2031-2035	1,191,392	763,709	1,955,101	464,909	298,017	152,905
2036-2040	1,473,643	475,328	1,948,971	575,050	185,484	152,905
2041-2044	1,426,567	127,232	1,553,799	556,678	49,649	758,217
Total	\$ 5,054,804	\$ 2,363,126	\$ 7,417,930	\$ 1,972,501	\$ 922,147	\$ 1,828,963

Year ending June 30,	Principal	Interest	Total
2026	\$ 176,615	\$ 215,745	\$ 392,360
2027	184,287	207,906	392,193
2028	192,293	199,727	392,020
2029	200,645	191,192	391,837
2030	209,362	182,287	391,649
2031-2035	1,191,392	763,709	1,955,101
2036-2040	1,473,643	475,328	1,948,971
2041-2044	1,426,567	127,232	1,553,799
Total	\$ 5,054,804	\$ 2,363,126	\$ 7,417,930

Lease payable

The City entered into leases for vehicles, copiers and building. The terms for the agreements range from 60 months to 36 months with interest rates of 7.2% and 2.0%.

Principal and interest payments to maturity at June 30, 2025 are as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 338,226	\$ 11,543	\$ 349,769
2027	300,081	7,621	307,702
2028	255,660	4,209	259,869
2029	181,682	1,553	183,235
2030	40,603	175	40,778
Total	\$ 1,116,252	\$ 25,101	\$ 1,141,353

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – 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, 2025 is as follows:

	Balance			Balance June 30, 2025	Classification	
	July 1, 2024 (Restated)	Additions	Deletions		Due within One Year	Due in more than One Year
Loans payable	\$ 6,606,345	\$ -	\$ (1,465,994)	\$ 5,140,351	\$ 1,498,333	\$ 3,642,018
Pension Obligation Bonds Series 2020- Water	1,971,103	-	(144,724)	1,826,379	146,762	1,679,617
Pension Obligation Bonds Series 2020- Sanitary	2,168,822	-	(159,242)	2,009,580	161,484	1,848,096
2023 Energy Improvement Financing Agreement	2,037,143	-	(64,642)	1,972,501	68,919	1,903,582
Revenue bonds:						
2005B Wastewater	3,682,901	-	(105,463)	3,577,438	109,859	3,467,579
2015A Wastewater	2,765,000	-	(205,000)	2,560,000	215,000	2,345,000
2022A Water Refunding	4,620,000	-	(145,000)	4,475,000	150,000	4,325,000
2022B Water Refunding	5,235,000	-	(490,000)	4,745,000	510,000	4,235,000
Bonds premium	1,233,400	-	(99,778)	1,133,622	99,778	1,033,844
Total revenue bonds	17,536,301	-	(1,045,241)	16,491,060	1,084,637	15,406,423
Lease payable	-	272,394	(56,331)	216,063	65,446	150,617
Compensated absences	398,905	257,845 *	-	656,750	413,167	243,583
Total	\$ 30,718,619	\$ 530,239	\$ (2,936,174)	\$ 28,312,684	\$ 3,438,748	\$ 24,873,936

* The change in the compensated absences liability is presented as a net change.

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, 2025 was in the amount of \$2,890,351.

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, 2025 was in the amount of \$2,250,000.

Total outstanding balance for the loans payable was in the amount of \$5,140,351.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 1,498,333	\$ 119,901	\$ 1,618,234
2027	1,536,413	85,276	1,621,689
2028	65,000	49,889	114,889
2029	65,000	48,346	113,346
2030	70,000	46,683	116,683
2031-2035	365,000	207,766	572,766
2036-2040	410,000	161,216	571,216
2041-2045	465,000	108,609	573,609
2046-2050	520,000	49,710	569,710
2051-2052	145,605	3,696	149,301
Total	<u>\$ 5,140,351</u>	<u>\$ 881,092</u>	<u>\$ 6,021,443</u>

Pension Obligation Bonds, Series 2020 – Water Authority

See Note 8 A for disclosure.

Pension Obligation Bonds, Series 2020 – Sanitary District

See Note 8 A for disclosure.

2023 Energy Improvement Financing Agreement

See Note 8 A for disclosure.

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, 2025 was in the amount of \$3,577,438.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 109,859	\$ 145,303	\$ 255,162
2027	114,437	140,677	255,114
2028	119,207	135,858	255,065
2029	124,175	130,839	255,014
2030	129,350	125,610	254,960
2031-2035	732,244	541,662	1,273,906
2036-2040	898,086	374,092	1,272,178
2041-2045	1,101,489	168,571	1,270,060
2046	248,591	5,127	253,718
Total	<u>\$ 3,577,438</u>	<u>\$ 1,767,739</u>	<u>\$ 5,345,177</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – 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, 2025, 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, 2025 was in the amount of \$2,560,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 215,000	\$ 92,175	\$ 307,175
2027	225,000	81,425	306,425
2028	240,000	70,175	310,175
2029	245,000	60,575	305,575
2030	250,000	53,225	303,225
2031-2035	1,385,000	140,745	1,525,745
Total	<u>\$ 2,560,000</u>	<u>\$ 498,320</u>	<u>\$ 3,058,320</u>

2022 Water Refunding Bonds, Series A

On February 2, 2022, the Water Authority issued \$4,895,000 Water Revenue Refunding Bonds, Series 2022A. Interest on the bonds is payable February 1 and August 1 of each year. Interest on the bonds accrues at rates 2.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$135,000 to \$255,000, commencing August 1, 2022 through August 1, 2048. The outstanding balance for the 2022 Water Refunding Bonds, Series A at June 30, 2025 was in the amount of \$4,475,000.

The annual debt service requirements to maturity are as follow:

Year ending June 30,	Principal	Interest	Total
2026	\$ 150,000	\$ 176,000	\$ 326,000
2027	160,000	169,800	329,800
2028	165,000	163,300	328,300
2029	170,000	156,600	326,600
2030	175,000	149,700	324,700
2031-2035	860,000	639,800	1,499,800
2036-2040	830,000	478,400	1,308,400
2041-2045	1,005,000	295,500	1,300,500
2046-2049	960,000	78,800	1,038,800
Total	<u>\$ 4,475,000</u>	<u>\$ 2,307,900</u>	<u>\$ 6,782,900</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2022 Water Refunding Bonds, Series B

On May 1, 2022, the Water Authority issued \$6,225,000 Water Revenue Refunding Bonds, Series 2022B. Interest on the bonds is payable February 1 and August 1 of each year. Interest on the bonds accrues at rates 2.00% per annum. Principal on serial and term bonds is payable in annual installments ranging from \$475,000 to \$685,000, commencing August 1, 2022 through August 1, 2032. The outstanding balance for the 2022 Water Refunding Bonds, Series A at June 30, 2025 was in the amount of \$4,745,000.

The annual debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 510,000	\$ 179,600	\$ 689,600
2027	530,000	158,800	688,800
2028	550,000	137,200	687,200
2029	580,000	114,600	694,600
2030	605,000	90,900	695,900
2031-2033	1,970,000	120,400	2,090,400
Total	<u>\$ 4,745,000</u>	<u>\$ 801,500</u>	<u>\$ 5,546,500</u>

Lease payable

The City entered into leases for vehicles. The terms for the agreements range from 60 months to 36 months with interest rates of 1% .

Principal and interest payments to maturity at June 30, 2025 are as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 65,446	\$ 1,861	\$ 67,307
2027	57,957	1,231	59,188
2028	49,740	681	50,421
2029	34,898	253	35,151
2030	8,022	35	8,057
Total	<u>\$ 216,063</u>	<u>\$ 4,061</u>	<u>\$ 220,124</u>

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – Long-Term Liabilities (Continued)

C. Fiduciary Activities

Summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due within One Year	Due in more than One Year
2013 Tax Allocation Bonds	\$ 1,785,000	\$ -	\$ (330,000)	\$ 1,455,000	\$ 340,000	\$ 1,115,000
2014 Tax Allocation Bonds	6,600,000	-	(560,000)	6,040,000	585,000	5,455,000
2016 Tax Allocation Bonds, Series A	10,020,000	-	(595,000)	9,425,000	630,000	8,795,000
2016A Bond premium	1,231,397	-	(100,522)	1,130,875	100,522	1,030,353
2016 Tax Allocation Bonds, Series B	6,350,000	-	(480,000)	5,870,000	490,000	5,380,000
2016B Bond discount	(44,542)	-	3,636	(40,906)	(3,636)	(37,270)
Total	\$ 25,941,855	\$ -	\$ (2,061,886)	\$ 23,879,969	\$ 2,141,886	\$ 21,738,083

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, 2025 was in the amount of \$1,455,000.

The future debt service requirement is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 340,000	\$ 53,288	\$ 393,288
2027	360,000	39,287	399,287
2028	370,000	24,225	394,225
2029	385,000	8,181	393,181
Total	\$ 1,455,000	\$ 124,981	\$ 1,579,981

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, 2025 was in the amount of \$6,040,000.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 8 – 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
2026	\$ 585,000	\$ 221,988	\$ 806,988
2027	620,000	191,862	811,862
2028	650,000	160,113	810,113
2029	680,000	133,238	813,238
2030	705,000	111,156	816,156
2031-2035	2,800,000	223,128	3,023,128
Total	<u>\$ 6,040,000</u>	<u>\$ 1,041,485</u>	<u>\$ 7,081,485</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, 2025 were in the amounts of \$9,425,000 and \$5,870,000, respectively.

The future debt service requirement is as follows:

Year ending June 30,	Series A		Series B		Total
	Principal	Interest	Principal	Interest	
2026	\$ 630,000	\$ 388,100	\$ 490,000	\$ 211,106	\$ 1,719,206
2027	660,000	355,850	505,000	195,244	1,716,094
2028	690,000	322,100	520,000	177,288	1,709,388
2029	725,000	286,725	540,000	157,413	1,709,138
2030	1,170,000	239,350	665,000	134,818	2,209,168
2031-2035	3,680,000	501,600	2,495,000	333,538	7,010,138
2036-2037	1,870,000	56,400	655,000	26,500	2,607,900
Total	<u>\$ 9,425,000</u>	<u>\$ 2,150,125</u>	<u>\$ 5,870,000</u>	<u>\$ 1,235,907</u>	<u>\$ 18,681,032</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 \$2,990,448 for the year ended June 30, 2025. The net principal and interest payments on the bonds that had pledged tax revenues for the year ended June 30, 2025 were \$1,965,000 and \$961,576, respectively. The total principal and interest remaining is approximately \$27,342,498 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, 2025

Note 8 – 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, 2025 was \$5,230,000.

Note 9 – Compensated Absences

For governmental activities and business-type activities, accumulated vacation, sick and administrative leave benefits payable in future years amounted to \$1,097,122 and \$656,750, respectively, at June 30, 2025. The City has estimated that for the governmental activities that \$798,196 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 \$413,167 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 10 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and emissions; and natural disasters. The City is a member of the Public Entity Risk Management Authority (“PERMA”), 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, 2025

Note 10 – 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, 2025, the amount of these liabilities was \$999,741. 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:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	End of Year
Workers' Compensation				
2022-2023	\$ 276,534	\$ 695,710	\$ (30,310)	\$ 941,934
2023-2024	941,934	75,299	(62,381)	954,852
2024-2025	954,852	(247,227)	(190,377)	517,248
General Liabilities				
2022-2023	\$ 398,696	\$ 120,008	\$ (46,190)	\$ 472,514
2023-2024	472,514	-	(281,724)	190,790
2024-2025	190,790	309,570	(17,867)	482,493

Note 11 – 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>.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

A. General Information About the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

	Miscellaneous	Misc Second Tier	Misc PEPR A	Safety
Active employees	28	7	47	-
Transferred and terminated employees	13	4	13	7
Separated	17	5	8	-
Retired Employees and Beneficiaries	125	-	-	93
Total	183	16	68	100

Benefit Provided

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

A. General Information About the Pension Plan (Continued)

Benefit Provided (Continued)

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 6.90 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Public agency cost-sharing plans covered by either the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2024 (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%	7.750%	0.000%
Required employer contribution rates	17.260%	10.100%	7.680%	0.000%

* Closed to new entrants

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023 valuation was rolled forward to determine June 30, 2024 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Price Inflation Salary Increases	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Change of Assumption

There was no change in assumption in 2024, the measurement period.

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset	
	Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.0%	

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021 Asset Liability Management study.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

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 6.90%, 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 (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
Miscellaneous	\$ 10,936,621	\$ 2,574,791	\$ (4,308,226)
Safety	\$ 2,929,972	\$ 634,763	\$ (1,242,395)

Pension Plan Fiduciary Net Position

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

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense

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

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/23 (Valuation date)	\$ 58,698,521	\$ 55,909,548	\$ 2,788,973
Balance at: 6/30/24 (Measurement date)	61,966,843	59,392,052	2,574,791
Net Changes during 2023-24	3,268,322	3,482,504	(214,182)
Safety			
Balance at: 6/30/23 (Valuation date)	\$ 16,757,427	\$ 15,985,862	\$ 771,565
Balance at: 6/30/24 (Measurement date)	16,802,524	16,167,761	634,763
Net Changes during 2023-24	45,097	181,899	(136,802)

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, 2023). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2024). 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, 2024 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2023-2024).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

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

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

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

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

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

	Miscellaneous	Safety
June 30, 2023	0.02236%	0.00618%
June 30, 2024	0.02123%	0.00523%
Change - Increase (Decrease)	-0.00113%	-0.00095%

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 (“EARS�”) 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 EARS� for risk pool for the 2023-2024 measurement period is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired).

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 1,065,550	\$ -	\$ 114,540	\$ -	\$ 1,180,090	\$ -
Change of Assumptions	66,178	-	15,639	-	81,817	-
Difference between expected and actual experience	222,612	(8,686)	51,800	(1,684)	274,412	(10,370)
Difference between projected and actual earning on pension plan investments	148,227	-	30,680	-	178,907	-
Adjustment due to differences in proportions	2,502,052	-	491,003	-	2,993,055	-
Difference between City contributions and proportionate share of contributions	-	(2,165,569)	-	(921,238)	-	(3,086,807)
Total	\$ 4,004,619	\$ (2,174,255)	\$ 703,662	\$ (922,922)	\$ 4,708,281	\$ (3,097,177)

Deferred outflows of resources in the amount of \$1,180,090 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, 2026.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 11 – Pensions (Continued)

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

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

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

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources		Total
	Miscellaneous	Safety	
2025	\$ 832,984	\$ (113,090)	\$ 719,894
2026	60,618	(128,450)	(67,832)
2027	(77,991)	(81,761)	(159,752)
2028	(50,797)	(10,499)	(61,296)
2029	-	-	-
Thereafter	-	-	-
	<u>\$ 764,814</u>	<u>\$ (333,800)</u>	<u>\$ 431,014</u>

For the year ended June 30, 2025, the City recognized pension expense as follows:

Miscellaneous	Safety	Total
<u>\$ 2,794,735</u>	<u>\$ 338,003</u>	<u>\$ 3,132,738</u>

Note 12 – Total 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 (“PEMCHA”).

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 2025, 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 (\$158 per month in 2025 and \$157 per month in 2024, 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.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

A. General Information About the OPEB Plan (Continued)

Employees Covered by Benefit Term

Active employees	96
Inactive currently receiving benefit	21
Inactive entitled to but not yet receiving benefit payments	48
Total	165

Contributions

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

B. Total OPEB Liability

The City's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 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	5.20% at June 30, 2025 (Bond buyer 20-Bond Index)
Expected long-term rate of return on investments	N/A
Global inflation	2.50% per annum
Mortality/retirement/disability/termination rate	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% per annum Merit - Tables from CalPERS 2000-2019 Experience Study
Healthcare cost trend rates	Non-Medicare - 7.90% for 2026, decreasing to ultimate rate of 3.45% in 2076 and later years Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to ultimate rate of 3.45% in 2076 and later years Medicare (Kaiser) - 5.65% for 2026, decreasing to ultimate rate of 3.45% 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	3.50% per annum
Healthcare Participation at Retirement	95% for management and elected officers 75% for mid-management and misc/sanitary employees
Maximum Monthly Benefit Increases	Based on PEMHCA Unequal method through 2021, 0% thereafter but no less than PEMHCA minimum

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

B. Total OPEB Liability (Continued)

Discount Rate

The discount rates used to measure the total OPEB liability were 5.20% and 3.93% at June 30, 2025 and 2024, 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, 2024	\$ 4,018,440	\$ -	\$ 4,018,440
Changes during the measurement period:			
Service cost	255,197	-	255,197
Interest	165,012	-	165,012
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	(613,803)	-	(613,803)
Employer contribution	-	150,261	(150,261)
Benefit payments	(149,708)	(149,708)	-
Administrative expenses	-	(553)	553
Net changes during measurement period 2024-25	(343,302)	-	(343,302)
Balances as of June 30, 2025 (Measurement Date)	\$ 3,675,138	\$ -	\$ 3,675,138

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 (4.20%) or one percentage point higher (6.20%) follows:

Net OPEB Liability		
Discount Rate - 1% (4.20%)	Current Discount Rate (5.20%)	Discount Rate + 1% (6.20%)
\$ 4,145,577	\$ 3,675,138	\$ 3,284,129

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

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

Net OPEB Liability		
Healthcare		
1% Decrease	Cost Trend Rate	1% Increase
\$ 3,376,025	\$ 3,675,138	\$ 4,104,659

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 12 – Other Postemployment Benefits (“OPEB”) Plan (Continued)

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

For the year ended June 30, 2025, the City recognized an OPEB expense of \$181,986. At June 30, 2025, 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	\$ 416,939	\$ (1,555,959)
Difference between expected and actual experience	-	(633,373)
Total	\$ 416,939	\$ (2,189,332)

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

Measurement Period Ending June 30,	Deferred Inflows of Resources
2026	\$ (238,776)
2027	(230,218)
2028	(233,467)
2029	(307,120)
2030	(338,902)
Thereafter	(423,910)
	\$ (1,772,393)

Note 13 – Net Investment in Capital Assets

The net investment in capital assets for the governmental activities, and business-type activities are calculated as follows:

	Governmental Activities	Business-Type Activities
Total capital assets, net	\$216,606,492	\$ 58,026,509
Deferred charges for capital related debt	-	125,049
Unspent capital debt proceed	726,340	1,611,950
Retention payable	(613,236)	(215,290)
Capital related debt *	(20,495,155)	(23,819,975)
Net investment in capital assets	\$196,224,441	\$ 35,728,243

* Capital related debt includes all loans, bonds, and lease payable, except for pension obligation bonds.

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 13 – Net Investment in Capital Assets (Continued)

The net investment in capital assets for the Water Fund, and Sanitary Fund are calculated as follows:

	Enterprise Funds	
	Water	Sanitary
Total capital assets, net	\$ 27,246,450	\$ 30,780,059
Deferred charges for capital related debt	-	125,049
Unspent capital debt proceed	1,161,869	450,081
Retention payable	(108,335)	(106,955)
Capital related debt *	(10,337,850)	(13,482,125)
Net investment in capital assets	\$ 17,962,134	\$ 17,766,109

* Capital related debt includes all loans, and bonds payable, except for pension obligation bonds.

Note 14 – Classification of Fund Balances

At June 30, 2025, fund balances are classified in the governmental funds as follows:

	General Fund	Special Revenue Funds		Capital Projects Fund	Nonmajor Governmental Funds	Total
		Development Impact Fees	Grants			
Nonspendable:						
Prepaid items	\$ 1,955,030	\$ -	\$ -	\$ -	\$ 51,234	\$ 2,006,264
Advance to other fund	11,142,779	-	-	-	-	11,142,779
Total nonspendable	13,097,809	-	-	-	51,234	13,149,043
Restricted:						
Low income housing	-	-	-	-	6,117,747	6,117,747
Highway and streets	-	-	-	-	3,608,700	3,608,700
Capital projects	-	-	-	288,939	-	288,939
Fire protection	-	-	-	-	75,988	75,988
Public facilities - general government	-	-	-	-	141,589	141,589
Pension obligation bonds	-	-	-	-	899,123	899,123
Total restricted	-	-	-	288,939	10,843,147	11,132,086
Committed:						
Fiscal policy	9,804,903	-	-	-	-	9,804,903
Debt service	-	-	-	-	9,133,619	9,133,619
Total committed	9,804,903	-	-	-	9,133,619	18,938,522
Assigned for:						
Software upgrade	903,113	-	-	-	-	903,113
Vehicle outfitting	70,000	-	-	-	-	70,000
UAL policy	1,400,000	-	-	-	-	1,400,000
Street improvements	4,865,000	-	-	-	-	4,865,000
Total assigned	7,238,113	-	-	-	-	7,238,113
Unassigned (deficit)	12,250,551	(12,140,372)	(8,016,944)	-	(1,200,359)	(9,107,124)
Total fund balances	\$42,391,376	\$ (12,140,372)	\$ (8,016,944)	\$ 288,939	\$18,827,641	\$ 41,350,640

City of Coachella
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

Note 15 – Individual Fund Disclosure

A. Expenditures in Excess of Appropriation

The following functions report expenditures in excess of appropriations for the year ended June 30, 2025.

	Expenditures	Appropriation	Expenditures in Excess of Appropriation
General Fund	\$ 34,995,980	\$ 33,446,212	\$ (1,549,768)
Development Impact Fees Special Revenue Fund	1,908,702	840,515	(1,068,187)
Grants Special Revenue Fund	2,128,425	909,993	(1,218,432)
Nonmajor Governmental Funds:			
Fire Protection District Special Revenue Fund	5,303,416	5,061,261	(242,155)
State Gas Tax Special Revenue Fund:	841,900	-	(841,900)
Debt Repayment Debt Service Fund	2,434,763	2,380,800	(53,963)

B. Deficit Net Positions and Fund Balances

Funds with deficit fund balances and net position at June 30, 2025 are as follows:

	Deficit
Development Impact Fees Special Revenue Fund	\$ (12,140,372)
Grants Special Revenue Fund	(8,016,944)
Road Maintenance Dillon Road	(1,200,359)
Successor Agency	(22,640,414)

The deficit fund balance for Development Impact Fee Special Revenue Fund will be eliminated through future development impact fee revenues. In addition, the City is currently conducting a development impact fee study to assess the appropriate recovery and payback period. The deficit fund balances for Grants and CDBG Special Revenue Fund will be eliminated when the reimbursement from grantors are received. The deficit for the Road Maintenance Dillon Road will be eliminated from the future mitigation fee revenues over the next 20 years; furthermore, the City Council approved an advance of \$1,658,330 from the General Fund to finance expenditures incurred during the fiscal year ended June 30, 2025. The advance is to be repaid over a 15-year period. 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, 2025

Note 16 – Changes to or within the Financial Reporting Entity and Restatements

During fiscal year 2025, changes in accounting principle restatements and error corrections of beginning net position and fund balances are as follows:

	June 30, 2024 As Previously Reported	Change to or within the Financial Reporting Entity	Change in Accounting Principles GASB 101	Corrections of Errors	June 30, 2024 As Restated
Government-Wide					
Governmental Activities	\$ 223,443,646	\$ -	\$ (50,440)	\$ -	\$ 223,393,206
Business-Type Activities	48,707,586	-	4,499	413,980	49,126,065
Total Government-Wide - Net Position	<u>\$ 272,151,232</u>	<u>\$ -</u>	<u>\$ (45,941)</u>	<u>\$ 413,980</u>	<u>\$ 272,519,271</u>
Governmental Funds:					
Major Funds:					
Debt Repayment Debt Service Fund	\$ 11,369,278	\$ (11,369,278)	\$ -	\$ -	\$ -
Nonmajor Funds	10,070,256	11,369,278	-	-	21,439,534
Total Governmental Funds - Fund Balance	<u>\$ 21,439,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,439,534</u>
Proprietary Funds:					
Water Enterprise Fund	\$ 27,693,958	\$ -	\$ 10,009	\$ -	\$ 27,703,967
Sanitary Enterprise Fund	21,013,628	-	(5,510)	413,980	21,422,098
Total Proprietary Funds - Net Position	<u>\$ 48,707,586</u>	<u>\$ -</u>	<u>\$ 4,499</u>	<u>\$ 413,980</u>	<u>\$ 49,126,065</u>

Changes Within the Financial Reporting Entity

The Debt Repayment Debt Service Fund changed from a Major Fund to a Nonmajor Fund \$11,369,278.

Change in Accounting Principles - Implementation of GASB Statement No. 101, Compensated Absences

Effective for the fiscal year ended June 30, 2025, the Authority implemented GASB Statement No. 101, Compensated Absences. This statement establishes accounting and financial reporting standards for compensated absences, including vacation, sick leave, and other paid time off. The implementation of GASB 101 resulted in a change in accounting principle, and prior year amounts have been restated accordingly.

Under GASB 101, a liability must be recognized for leave that is attributable to services already rendered, accumulates and carries forward to future periods, and is more likely than not to be used or paid. This represents a shift from previous guidance, particularly in how likelihood and eligibility are assessed. The implementation of GASB 101 resulted in a change in accounting principle, and prior year amounts have been restated accordingly. As of July 1, 2024, the beginning net position was adjusted to reflect the cumulative effect of the change.

Specifically, the liability for compensated absences increased by \$50,440 and decreased by \$4,499 in governmental-activities and business-type activities, respectively, resulting in a corresponding decrease in beginning net position of \$50,440 and \$4,499, respectively. The Proprietary Funds beginning balance is restated for the Water and Sanitary Funds in the amounts of \$10,009 and (\$5,510), respectively.

Correction of Errors

The beginning balances of the Business-Type Activities and Proprietary Funds were restated to correct prior-period revenue errors. As a result, the beginning balance for Business-Type Activities was adjusted by \$413,980.



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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



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City of Coachella
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2025

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 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.



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City of Coachella
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 28,609,932	\$ 28,609,932	\$ 28,241,563	\$ (368,369)
Licenses, permits and fees	518,195	518,195	700,540	182,345
Charges for services	725,752	725,752	601,270	(124,482)
Fines, forfeitures and penalties	250,000	250,000	344,786	94,786
Intergovernmental	737,890	737,890	385,269	(352,621)
Investment income	75,000	75,000	1,587,398	1,512,398
Net increase (decrease) in the fair value of investments	-	-	546,232	546,232
Other revenue	535,750	535,750	1,216,068	680,318
Total revenues	31,452,519	31,452,519	33,623,126	2,170,607
EXPENDITURES:				
Current:				
General government	10,001,520	10,702,443	11,400,431	(697,988)
Public safety - police	11,348,079	11,348,079	11,988,470	(640,391)
Community development	4,294,583	4,466,447	3,613,194	853,253
Engineering	1,188,400	1,188,400	933,756	254,644
Public works	2,954,967	2,954,967	2,497,152	457,815
Public works - Parks and recreation	2,661,331	2,667,331	2,678,794	(11,463)
Capital outlay	-	104,045	1,567,686	(1,463,641)
Debt services:				
Principal retirement	13,000	13,000	303,056	(290,056)
Interest and fiscal charges	1,500	1,500	13,441	(11,941)
Total expenditures	32,463,380	33,446,212	34,995,980	(1,549,768)
Excess (deficiency) of revenues over expenditures	(1,010,861)	(1,993,693)	(1,372,854)	620,839
OTHER FINANCING SOURCES (USES):				
Inception of lease liability	-	-	1,408,637	1,408,637
Transfers in	5,891,519	5,891,519	5,335,595	(555,924)
Transfers out	(4,885,031)	(8,991,173)	(7,329,685)	1,661,488
Total other financing sources (uses)	1,006,488	(3,099,654)	(585,453)	2,514,201
Net change in fund balance	\$ (4,373)	\$ (5,093,347)	(1,958,307)	\$ 3,135,040
FUND BALANCE:				
Beginning of year			44,349,683	
End of year			<u>\$ 42,391,376</u>	

City of Coachella
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Development Impact Fees Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Developer fees	\$ 3,705,988	\$ 3,705,988	\$ 3,297,276	\$ (408,712)
Investment income	6,500	6,500	90,656	84,156
Net increase (decrease) in the fair value of investments	-	-	79,400	79,400
Total revenues	<u>3,712,488</u>	<u>3,712,488</u>	<u>3,467,332</u>	<u>(245,156)</u>
EXPENDITURES:				
Current:				
Public works	-	34,000	7,200	26,800
Capital outlay	700,000	700,000	1,506,874	(806,874)
Debt service:				
Principal retirement	80,679	80,679	80,679	-
Interest and fiscal charges	25,836	25,836	313,949	(288,113)
Total expenditures	<u>806,515</u>	<u>840,515</u>	<u>1,908,702</u>	<u>(1,068,187)</u>
Net change in fund balance	<u>\$ 2,905,973</u>	<u>\$ 2,871,973</u>	1,558,630	<u>\$ (1,313,343)</u>
FUND BALANCE:				
Beginning of year			<u>(13,699,002)</u>	
End of year			<u>\$ (12,140,372)</u>	

City of Coachella
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Grants Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 19,626,841	\$ 20,708,967	\$ 7,551,370	\$ (13,157,597)
Investment income	-	-	186,961	186,961
Other revenue	-	-	485,548	485,548
Total revenues	<u>19,626,841</u>	<u>20,708,967</u>	<u>8,223,879</u>	<u>(12,485,088)</u>
EXPENDITURES:				
Current:				
Community development	-	909,993	2,090,400	(1,180,407)
Public works	-	-	38,025	(38,025)
Total expenditures	<u>-</u>	<u>909,993</u>	<u>2,128,425</u>	<u>(1,218,432)</u>
Excess (deficiency) of revenues over expenditures	<u>19,626,841</u>	<u>19,798,974</u>	<u>6,095,454</u>	<u>(13,703,520)</u>
OTHER FINANCING (USES):				
Transfers out	(19,626,841)	(19,654,747)	(9,778,220)	9,876,527
Total other financing (uses)	<u>(19,626,841)</u>	<u>(19,654,747)</u>	<u>(9,778,220)</u>	<u>9,876,527</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 144,227</u>	<u>(3,682,766)</u>	<u>\$ (3,826,993)</u>
FUND BALANCE:				
Beginning of year			(4,334,178)	
End of year			<u>\$ (8,016,944)</u>	

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, 2025

Last Ten Fiscal Years

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

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's Proportion of the Net Pension Liability	0.22356%	0.02236%	0.01266%	-0.14327%	0.11585%
City's Proportionate Share of the Net Pension Liability	\$ 2,574,791	\$ 2,788,973	\$ 1,462,195	\$ (7,748,397)	\$ 12,605,131
City's Covered Payroll	7,629,118	7,045,202	6,012,050	5,506,056	5,984,145
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>33.75%</u>	<u>39.59%</u>	<u>24.32%</u>	<u>-140.72%</u>	<u>210.64%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>95.84%</u>	<u>95.25%</u>	<u>97.35%</u>	<u>114.63%</u>	<u>75.00%</u>

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

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's Proportion of the Net Pension Liability	0.00523%	0.00618%	0.00398%	-0.04194%	0.50680%
City's Proportionate Share of the Net Pension Liability	\$ 634,763	\$ 771,565	\$ 460,009	\$ (2,268,486)	\$ 5,514,400
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>96.22%</u>	<u>95.40%</u>	<u>97.22%</u>	<u>113.81%</u>	<u>67.00%</u>

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, 2025

Last Ten Fiscal Years

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

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's Proportion of the Net Pension Liability	0.11435%	0.11244%	0.11295%	0.11192%	0.10333%
City's Proportionate Share of the Net Pension Liability	\$ 11,717,156	\$ 10,834,812	\$ 11,201,840	\$ 9,684,436	\$ 7,092,438
City's Covered Payroll	5,744,896	5,439,535	5,412,001	5,475,348	5,166,649
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	<u>203.96%</u>	<u>199.19%</u>	<u>206.98%</u>	<u>176.87%</u>	<u>137.27%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>75.80%</u>	<u>76.06%</u>	<u>73.32%</u>	<u>73.98%</u>	<u>79.89%</u>

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

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's Proportion of the Net Pension Liability	0.05052%	0.05062%	0.04873%	0.04951%	0.05250%
City's Proportionate Share of the Net Pension Liability	\$ 5,176,937	\$ 4,878,054	\$ 4,832,679	\$ 4,284,302	\$ 3,603,297
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>74.04%</u>	<u>70.09%</u>	<u>70.45%</u>	<u>72.32%</u>	<u>76.34%</u>

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years

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

Fiscal year	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially Determined Contribution	\$ 1,065,550	\$ 845,222	\$ 764,938	\$ 664,272	\$ 13,817,587
Contribution in Relation to the Actuarially Determined Contribution	(1,065,550)	(845,222)	(764,938)	(664,272)	(13,817,587)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ¹	\$ 7,842,732	\$ 7,629,118	\$ 7,045,202	\$ 6,012,050	\$ 5,506,056
Contributions as a Percentage of Covered Payroll	13.59%	11.08%	10.86%	11.05%	250.95%

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

Fiscal year	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially Determined Contribution	\$ 114,540	\$ -	\$ 32,261	\$ -	\$ 5,534,871
Contribution in Relation to the Actuarially Determined Contribution	(114,540)	-	(32,261)	-	(5,534,871)
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 Includes one year's payroll growth using 2.80 percent payroll assumption from fiscal year 2023 to 2024.

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no changes in 2024 and 2023. In 2022, the discount rate changed from 7.15% to 6.90%. In 2021, 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, 2025

Last Ten Fiscal Years (Continued)

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

Fiscal year	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially Determined Contribution	\$ 1,517,558	\$ 1,365,584	\$ 1,202,460	\$ 683,057	\$ 628,259
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,517,558)</u>	<u>(1,365,584)</u>	<u>(1,202,460)</u>	<u>(683,057)</u>	<u>(628,259)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ¹	<u>\$ 5,984,145</u>	<u>\$ 5,744,896</u>	<u>\$ 5,439,535</u>	<u>\$ 5,412,001</u>	<u>\$ 5,475,348</u>
Contributions as a Percentage of Covered Payroll	<u>25.36%</u>	<u>23.77%</u>	<u>22.11%</u>	<u>12.62%</u>	<u>11.47%</u>

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

Fiscal year	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially Determined Contribution	\$ 432,948	\$ 305,215	\$ 241,940	\$ 195,192	\$ 162,021
Contribution in Relation to the Actuarially Determined Contribution	<u>(432,948)</u>	<u>(305,215)</u>	<u>(241,940)</u>	<u>(195,192)</u>	<u>(162,021)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a Percentage of Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no changes in 2024 and 2023. In 2022, the discount rate changed from 7.15% to 6.90%. In 2021, 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, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period ¹	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability					
Service cost	\$ 255,197	\$ 212,686	\$ 212,398	\$ 424,327	\$ 407,072
Interest	165,012	155,219	145,669	132,996	125,878
Differences between expected and actual experience	-	(36,828)	-	(980,439)	-
Changes of assumption	(613,803)	(278,209)	(63,308)	(1,248,883)	47,464
Benefit payments	(149,708)	(148,636)	(166,181)	(150,615)	(121,842)
Net change in total OPEB liability	(343,302)	(95,768)	128,578	(1,822,614)	458,572
Total OPEB liability, beginning	4,018,440	4,114,208	3,985,630	5,808,244	5,349,672
Total OPEB liability, ending (a)	\$ 3,675,138	\$ 4,018,440	\$ 4,114,208	\$ 3,985,630	\$ 5,808,244
OPEB fiduciary net position					
Employer contributions:	\$ 150,261	\$ 149,363	\$ 166,920	\$ 151,141	\$ 122,263
Net investment income	-	-	-	-	-
Benefit payments	(149,708)	(148,636)	(166,181)	(150,615)	(121,842)
Administrative expenses	(553)	(727)	(739)	(526)	(421)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Plan total OPEB liability - ending (a) - (b)	\$ 3,675,138	\$ 4,018,440	\$ 4,114,208	\$ 3,985,630	\$ 5,808,244
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 10,913,502	\$ 9,217,275	\$ 8,024,116	\$ 7,442,817	\$ 7,478,117
Total OPEB liability as a percentage of covered employee payroll	33.68%	43.60%	51.27%	53.55%	77.67%

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

Note: There are no assets accumulated in a trust.

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

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

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

Note: There are no assets accumulated in a trust.

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the actuarially determined contribution	<u>(150,261)</u>	<u>(149,363)</u>	<u>(166,920)</u>	<u>(151,141)</u>	<u>(122,263)</u>
Contribution deficiency/(excess)	<u>\$ (150,261)</u>	<u>\$ (149,363)</u>	<u>\$ (166,920)</u>	<u>\$ (151,141)</u>	<u>\$ (122,263)</u>
Covered employee payroll	<u>\$ 10,913,502</u>	<u>\$ 9,217,275</u>	<u>\$ 8,024,116</u>	<u>\$ 7,442,817</u>	<u>\$ 7,478,117</u>
Contributions as a percentage of covered employee payroll	<u>1.38%</u>	<u>1.62%</u>	<u>2.08%</u>	<u>2.03%</u>	<u>1.63%</u>

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

² There is no actuarially determined contribution.

City of Coachella
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

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

¹ Historical information is presented for periods after GASB 75 was implemented 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 Change in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other revenue	\$ -	\$ 437,666	\$ 682,045	\$ 244,379
Total revenues	-	437,666	682,045	244,379
EXPENDITURES:				
Capital outlay	38,547,462	38,209,700	12,426,117	25,783,583
Total expenditures	38,547,462	38,209,700	12,426,117	25,783,583
Excess (deficiency) of revenues over expenditures	(38,547,462)	(37,772,034)	(11,744,072)	26,027,962
OTHER FINANCING SOURCES (USES):				
Transfers in	30,545,524	37,164,941	12,894,199	(24,270,742)
Transfers out	-	-	(588,774)	(588,774)
Total other financing sources (uses)	30,545,524	37,164,941	12,305,425	(24,859,516)
Net change in fund balance	\$ (8,001,938)	\$ (607,093)	561,353	\$ 1,168,446
FUND BALANCE:				
Beginning of year			(272,414)	
End of year			<u>\$ 288,939</u>	



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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.

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

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 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 interest on first-time home buyer loans made with CalHome, HUD Home Program, and CDBG Home Rehabilitation Program funds and related administrative activities.

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.

Debt Service Fund:

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



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City of Coachella
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape and Lighting Districts	Fire Protection District	CDBG
ASSETS					
Cash and investments	\$ 144,106	\$ 801,993	\$ 725,529	\$ 1,641,761	\$ 742,885
Receivables:					
Accounts	-	-	-	-	-
Due from other governments	15,028	141,549	15,428	80,705	289,614
Deferred special assessment	-	-	-	802,637	-
Interest	761	12,899	3,245	7,902	1,232
Loans	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agent	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 159,895	\$ 956,441	\$ 744,202	\$ 2,533,005	\$ 1,033,731
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ 20,879	\$ 37,579	\$ 262,871	\$ 1,654,380	\$ -
Accrued wages payable	-	-	8,869	-	-
Due to other governments	11,271	2,102	-	-	-
Due to other funds	-	-	-	-	582,294
Advance from other funds	-	-	-	-	-
Total liabilities	32,150	39,681	271,740	1,654,380	582,294
Deferred Inflows of Resources					
Unavailable revenues	15,028	-	-	802,637	289,614
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted for:					
Low income housing	-	-	-	-	161,823
Highways and streets	112,717	916,760	472,462	-	-
Fire protection	-	-	-	75,988	-
Public facility general government	-	-	-	-	-
Pension obligation bonds	-	-	-	-	-
Committed for:					
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	112,717	916,760	472,462	75,988	161,823
Total liabilities, deferred inflows of resources and fund balances	\$ 159,895	\$ 956,441	\$ 744,202	\$ 2,533,005	\$ 1,033,731

(Continued)

City of Coachella
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	State Gas Tax	Road Maintenance Dillon Road	Road Maintenance SB 1	Economic Improvement	Community Facility District Police Service
ASSETS					
Cash and investments	\$ 280,094	\$ 446,629	\$ 2,368,167	\$ 2,204,281	\$ 122,610
Receivables:					
Accounts	-	11,342	-	-	-
Due from other governments	103,776	-	98,742	-	18,186
Deferred special assessment	-	-	-	-	1,385,743
Interest	-	-	-	13,597	793
Loans	-	-	-	3,738,046	-
Due from other fund	354,400	-	-	-	-
Prepaid	-	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agent	-	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 738,270	\$ 457,971	\$ 2,466,909	\$ 5,955,924	\$ 1,527,332
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	356,600	-	741,818	-	-
Advance from other funds	-	1,658,330	-	-	-
Total liabilities	356,600	1,658,330	741,818	-	-
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	1,385,743
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted for:					
Low income housing	-	-	-	5,955,924	-
Highways and streets	381,670	-	1,725,091	-	-
Fire protection	-	-	-	-	-
Public facility general government	-	-	-	-	141,589
Pension obligation bonds	-	-	-	-	-
Committed for:					
Debt service	-	-	-	-	-
Unassigned	-	(1,200,359)	-	-	-
Total fund balances	381,670	(1,200,359)	1,725,091	5,955,924	141,589
Total liabilities, deferred inflows of resources and fund balances	\$ 738,270	\$ 457,971	\$ 2,466,909	\$ 5,955,924	\$ 1,527,332

(Continued)

City of Coachella
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Debt Service Fund	Total Nonmajor Governmental Funds
	Debt Repayment	Funds
ASSETS		
Cash and investments	\$ 354,400	\$ 9,832,455
Receivables:		
Accounts	-	11,342
Due from other governments	-	763,028
Deferred special assessment	-	2,188,380
Interest	-	40,429
Loans	-	3,738,046
Due from other funds	356,600	711,000
Prepaid	51,234	51,234
Restricted assets:		
Cash and investments with fiscal agent	1,627,502	1,627,502
Advance to other funds	8,473,063	8,473,063
Total assets	\$ 10,862,799	\$ 27,436,479
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 1,975,709
Accrued wages payable	-	8,869
Due to other governments	-	13,373
Due to other funds	778,823	2,459,535
Advance from other funds	-	1,658,330
Total liabilities	778,823	6,115,816
Deferred Inflows of Resources		
Unavailable revenues	-	2,493,022
Fund Balances:		
Nonspendable	51,234	51,234
Restricted for:		
Low income housing	-	6,117,747
Highways and streets	-	3,608,700
Fire protection	-	75,988
Public facility general government	-	141,589
Pension obligation bonds	899,123	899,123
Committed for:		
Debt service	9,133,619	9,133,619
Unassigned	-	(1,200,359)
Total fund balances	10,083,976	18,827,641
Total liabilities, deferred inflows of resources and fund balances	\$ 10,862,799	\$ 27,436,479

(Concluded)

City of Coachella
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	Air Quality Improvement	Local Transportation	Landscape and Lighting District	Fire Protection District	CDBG
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 1,351,627	\$ -
Charges for services	-	-	-	51,700	-
Intergovernmental	42,519	811,814	-	53,176	26,499
Special assessments	-	-	2,750,194	1,173,446	-
Investment income (loss)	3,508	57,799	6,477	32,377	4,452
Net increase (decrease) in the fair value of investments	-	-	-	21,097	-
Other revenue	-	-	8,915	-	-
Total revenues	<u>46,027</u>	<u>869,613</u>	<u>2,765,586</u>	<u>2,683,423</u>	<u>30,951</u>
EXPENDITURES:					
Current:					
Public safety - police	-	-	-	-	-
Public safety - fire	-	-	-	5,303,416	-
Public works	43,161	-	2,603,863	-	-
Capital outlay	-	1,573,808	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>43,161</u>	<u>1,573,808</u>	<u>2,603,863</u>	<u>5,303,416</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,866</u>	<u>(704,195)</u>	<u>161,723</u>	<u>(2,619,993)</u>	<u>30,951</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	3,383,212	453,271
Transfers out	-	-	(267,807)	(703,397)	(26,499)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(267,807)</u>	<u>2,679,815</u>	<u>426,772</u>
Net change in fund balances	<u>2,866</u>	<u>(704,195)</u>	<u>(106,084)</u>	<u>59,822</u>	<u>457,723</u>
FUND BALANCES:					
Beginning of year, as previously presented as of June 30, 2024	<u>109,851</u>	<u>1,620,955</u>	<u>578,546</u>	<u>16,166</u>	<u>(295,900)</u>
Change within financial reporting entity: (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated (Note 16)	<u>109,851</u>	<u>1,620,955</u>	<u>578,546</u>	<u>16,166</u>	<u>(295,900)</u>
End of year	<u>\$ 112,717</u>	<u>\$ 916,760</u>	<u>\$ 472,462</u>	<u>\$ 75,988</u>	<u>\$ 161,823</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, 2025

	Special Revenue Funds				
	State Gas Tax	Road Maintenance Dillon Road	Road Maintenance SB 1	Economic Improvement	Community Facility District Police Service
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental	1,219,102	51,536	1,171,861	-	-
Special assessments	-	-	-	-	1,924,493
Investment income (loss)	-	(15,628)	-	77,270	(6,339)
Net increase (decrease) in the fair value of investments	-	-	-	34,859	-
Other revenue	-	-	-	-	-
Total revenues	<u>1,219,102</u>	<u>35,908</u>	<u>1,171,861</u>	<u>112,129</u>	<u>1,918,154</u>
EXPENDITURES:					
Current:					
Public safety - police	-	-	-	-	503
Public safety - fire	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	841,900	1,446,719	741,818	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>841,900</u>	<u>1,446,719</u>	<u>741,818</u>	<u>-</u>	<u>503</u>
Excess (deficiency) of revenues over expenditures	<u>377,202</u>	<u>(1,410,811)</u>	<u>430,043</u>	<u>112,129</u>	<u>1,917,651</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(356,600)	-	-	(237,351)	(1,868,986)
Total other financing sources (uses)	<u>(356,600)</u>	<u>-</u>	<u>-</u>	<u>(237,351)</u>	<u>(1,868,986)</u>
Net change in fund balances	20,602	(1,410,811)	430,043	(125,222)	48,665
FUND BALANCES:					
Beginning of year, as previously presented as of June 30, 2024	361,068	210,452	1,295,048	6,081,146	92,924
Change within financial reporting entity: (major to nonmajor)	-	-	-	-	-
Beginning of year, as restated (Note 16)	361,068	210,452	1,295,048	6,081,146	92,924
End of year	<u>\$ 381,670</u>	<u>\$ (1,200,359)</u>	<u>\$ 1,725,091</u>	<u>\$ 5,955,924</u>	<u>\$ 141,589</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, 2025

	Debt Service Fund	Total Nonmajor Governmental Funds
	Debt Repayment	Funds
REVENUES:		
Taxes	\$ -	\$ 1,351,627
Charges for services	-	51,700
Intergovernmental	-	3,376,507
Special assessments	-	5,848,133
Investment income (loss)	9,569	169,485
Net increase (decrease) in the fair value of investments	-	55,956
Other revenue	-	8,915
Total revenues	9,569	10,862,323
EXPENDITURES:		
Current:		
Public safety - police	-	503
Public safety - fire	-	5,303,416
Public works	-	2,647,024
Capital outlay	-	4,604,245
Debt service:		
Principal retirement	1,456,688	1,456,688
Interest and fiscal charges	978,075	978,075
Total expenditures	2,434,763	14,989,951
Excess (deficiency) of revenues over expenditures	(2,425,194)	(4,127,628)
OTHER FINANCING SOURCES (USES):		
Transfers in	2,315,247	6,151,730
Transfers out	(1,175,355)	(4,635,995)
Total other financing sources (uses)	1,139,892	1,515,735
Net change in fund balances	(1,285,302)	(2,611,893)
FUND BALANCES:		
Beginning of year, as previously presented as of June 30, 2024	-	10,070,256
Change within financial reporting entity: (major to nonmajor)	11,369,278	11,369,278
Beginning of year, as restated (Note 16)	11,369,278	21,439,534
End of year	\$ 10,083,976	\$ 18,827,641

(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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 42,519	\$ (17,481)
Investment income	500	500	3,508	3,008
Total revenues	60,500	60,500	46,027	(14,473)
EXPENDITURES:				
Current:				
Public works	46,000	46,000	43,161	2,839
Total expenditures	46,000	46,000	43,161	2,839
Net change in fund balance	\$ 14,500	\$ 14,500	2,866	\$ (11,634)
FUND BALANCE:				
Beginning of year			109,851	
End of year			\$ 112,717	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 834,000	\$ 834,000	\$ 811,814	\$ (22,186)
Investment income	8,000	8,000	57,799	49,799
Total revenues	<u>842,000</u>	<u>842,000</u>	<u>869,613</u>	<u>27,613</u>
EXPENDITURES:				
Capital outlay	2,100,425	2,018,809	1,573,808	445,001
Total expenditures:	<u>2,100,425</u>	<u>2,018,809</u>	<u>1,573,808</u>	<u>445,001</u>
Net change in fund balance	<u>\$ (1,258,425)</u>	<u>\$ (1,176,809)</u>	(704,195)	<u>\$ 472,614</u>
FUND BALANCE:				
Beginning of year			<u>1,620,955</u>	
End of year			<u>\$ 916,760</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 2,760,927	\$ 2,760,927	\$ 2,750,194	\$ (10,733)
Investment income	-	-	6,477	6,477
Other revenue	-	-	8,915	8,915
Total revenues	<u>2,760,927</u>	<u>2,760,927</u>	<u>2,765,586</u>	<u>4,659</u>
EXPENDITURES:				
Current:				
Public works	2,740,650	2,740,650	2,603,863	136,787
Total expenditures	<u>2,740,650</u>	<u>2,740,650</u>	<u>2,603,863</u>	<u>136,787</u>
Excess (deficiency) of revenues over expenditures	<u>20,277</u>	<u>20,277</u>	<u>161,723</u>	<u>141,446</u>
OTHER FINANCING (USES):				
Transfers out	(267,807)	(267,807)	(267,807)	-
Total other financing (uses)	<u>(267,807)</u>	<u>(267,807)</u>	<u>(267,807)</u>	<u>-</u>
Net change in fund balance	<u>\$ (247,530)</u>	<u>\$ (247,530)</u>	<u>(106,084)</u>	<u>\$ 141,446</u>
FUND BALANCE:				
Beginning of year			<u>578,546</u>	
End of year			<u>\$ 472,462</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 950,000	\$ 950,000	\$ 1,351,627	\$ 401,627
Charges for services	40,000	40,000	51,700	11,700
Intergovernmental	-	-	53,176	53,176
Special assessments	1,163,299	1,163,299	1,173,446	10,147
Investment income	-	-	32,377	32,377
Net increase (decrease) in the fair value of investments	-	-	21,097	21,097
Total revenues	<u>2,153,299</u>	<u>2,153,299</u>	<u>2,683,423</u>	<u>530,124</u>
EXPENDITURES:				
Current:				
Public safety	5,061,261	5,061,261	5,303,416	(242,155)
Total expenditures	<u>5,061,261</u>	<u>5,061,261</u>	<u>5,303,416</u>	<u>(242,155)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,907,962)</u>	<u>(2,907,962)</u>	<u>(2,619,993)</u>	<u>287,969</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,242,928	3,242,928	3,383,212	140,284
Transfers out	(703,397)	(703,397)	(703,397)	-
Total other financing sources (uses)	<u>2,539,531</u>	<u>2,539,531</u>	<u>2,679,815</u>	<u>140,284</u>
Net change in fund balance	<u>\$ (368,431)</u>	<u>\$ (368,431)</u>	59,822	<u>\$ 428,253</u>
FUND BALANCE:				
Beginning of year			16,166	
End of year			<u>\$ 75,988</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 810,000	\$ 810,000	\$ 26,499	\$ (783,501)
Investment income	-	-	4,452	4,452
Total revenues	<u>810,000</u>	<u>810,000</u>	<u>30,951</u>	<u>(779,049)</u>
OTHER FINANCING (USES):				
Transfers in	-	-	453,271	453,271
Transfers out	-	-	(26,499)	(26,499)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>426,772</u>	<u>426,772</u>
Net change in fund balance	<u>\$ 810,000</u>	<u>\$ 810,000</u>	457,723	<u>\$ (352,277)</u>
FUND BALANCE:				
Beginning of year			<u>(295,900)</u>	
End of year			<u>\$ 161,823</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,211,000	\$ 1,211,000	\$ 1,219,102	\$ 8,102
Total revenues	<u>1,211,000</u>	<u>1,211,000</u>	<u>1,219,102</u>	<u>8,102</u>
EXPENDITURES:				
Capital outlay	-	-	841,900	(841,900)
Total expenditures	<u>-</u>	<u>-</u>	<u>841,900</u>	<u>(841,900)</u>
Excess (deficiency) of revenues over expenditures	<u>1,211,000</u>	<u>1,211,000</u>	<u>377,202</u>	<u>(833,798)</u>
OTHER FINANCING (USES):				
Transfers out	(1,211,000)	(1,211,000)	(356,600)	854,400
Total other financing (uses)	<u>(1,211,000)</u>	<u>(1,211,000)</u>	<u>(356,600)</u>	<u>854,400</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>20,602</u>	<u>\$ 20,602</u>
FUND BALANCE:				
Beginning of year			<u>361,068</u>	
End of year			<u>\$ 381,670</u>	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Road Maintenance Dillon Road Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 51,536	\$ 1,536
Investment income (loss)	-	-	(15,628)	(15,628)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>35,908</u>	<u>(14,092)</u>
EXPENDITURES:				
Capital outlay	1,816,597	1,816,597	1,446,719	369,878
Total expenditures	<u>1,816,597</u>	<u>1,816,597</u>	<u>1,446,719</u>	<u>369,878</u>
Net change in fund balance	<u>\$ (1,766,597)</u>	<u>\$ (1,766,597)</u>	(1,410,811)	<u>\$ 355,786</u>
FUND BALANCE:				
Beginning of year			<u>210,452</u>	
End of year			<u>\$ (1,200,359)</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,099,700	\$ 1,099,700	\$ 1,171,861	\$ 72,161
Total revenues	1,099,700	1,099,700	1,171,861	72,161
EXPENDITURES:				
Capital outlay	2,216,122	1,206,496	741,818	464,678
Total expenditures	2,216,122	1,206,496	741,818	464,678
Net change in fund balance	\$ (1,116,422)	\$ (106,796)	430,043	\$ 536,839
FUND BALANCE:				
Beginning of year			1,295,048	
End of year			\$ 1,725,091	

City of Coachella
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Community Facility District - Police Service Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 1,868,986	\$ 1,868,986	\$ 1,924,493	\$ 55,507
Investment income (loss)	-	-	(6,339)	(6,339)
Total revenues	<u>1,868,986</u>	<u>1,868,986</u>	<u>1,918,154</u>	<u>49,168</u>
EXPENDITURES:				
Current:				
Public safety - police	6,000	6,000	503	5,497
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>503</u>	<u>5,497</u>
Excess (deficiency) of revenues over expenditures	<u>1,862,986</u>	<u>1,862,986</u>	<u>1,917,651</u>	<u>54,665</u>
OTHER FINANCING (USES):				
Transfers out	(1,868,986)	(1,868,986)	(1,868,986)	-
Total other financing (uses)	<u>(1,868,986)</u>	<u>(1,868,986)</u>	<u>(1,868,986)</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	48,665	<u>\$ 54,665</u>
FUND BALANCE:				
Beginning of year			<u>92,924</u>	
End of year			<u>\$ 141,589</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 9,569	\$ 9,569
Total revenues	-	-	9,569	9,569
EXPENDITURES:				
Debt service:				
Principal retirement	1,521,330	1,521,330	1,456,688	64,642
Interest and fiscal charges	859,470	859,470	978,075	(118,605)
Total expenditures	2,380,800	2,380,800	2,434,763	(53,963)
Excess (deficiency) of revenues over expenditures	(2,380,800)	(2,380,800)	(2,425,194)	(44,394)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,936,203	1,936,203	2,315,247	379,044
Transfers out	-	-	(1,175,355)	(1,175,355)
Total other financing sources (uses)	1,936,203	1,936,203	1,139,892	(796,311)
Net change in fund balance	\$ (444,597)	\$ (444,597)	(1,285,302)	\$ (840,705)
FUND BALANCE:				
Beginning of year			11,369,278	
End of year			<u>\$ 10,083,976</u>	

CUSTODIAL FUNDS



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City of Coachella Custodial Funds

Custodial Funds:

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.



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City of Coachella
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Flood Control Capital Facilities	Refuse Fund	Coachella Parks and Recreation Foundation	Special Assessment CFD 2018-1 Glenroy	Total Custodial Funds
ASSETS					
Cash and investments	\$ 2,469,248	\$ 36,491	\$ 10,317	\$ 726,390	\$ 3,242,446
Accounts receivable	-	127,118	-	-	127,118
Interest receivable	13,682	-	-	-	13,682
Total Assets	<u>2,482,930</u>	<u>163,609</u>	<u>10,317</u>	<u>726,390</u>	<u>3,383,246</u>
LIABILITIES					
Accounts payable	-	49,767	-	-	49,767
Total liabilities	<u>-</u>	<u>49,767</u>	<u>-</u>	<u>-</u>	<u>49,767</u>
NET POSITION					
Restricted for:					
Individuals, organization, and other governments	<u>\$ 2,482,930</u>	<u>\$ 113,842</u>	<u>\$ 10,317</u>	<u>\$ 726,390</u>	<u>\$ 3,333,479</u>

City of Coachella
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	Flood Control Capital Facilities	Refuse Fund	Coachella Parks and Recreation Foundation	Special Assessment CFD 2018-1 Glenroy	Total Custodial Funds
ADDITIONS:					
Assessment revenue collected	\$ -	\$ -	\$ -	\$ 431,092	\$ 431,092
Investment income	66,358	-	-	-	66,358
Net increase (decrease) in the fair value of investments	45,709	-	-	-	45,709
Refuse revenue collected for other organization	-	3,726,499	-	-	3,726,499
Contributions and donations	-	-	-	-	-
Total additions	<u>112,067</u>	<u>3,726,499</u>	<u>-</u>	<u>431,092</u>	<u>4,269,658</u>
DEDUCTIONS:					
Payment of special assessment district expense	-	-	3,790	382,004	385,794
Payment of refuse revenue to other organization	-	3,613,356	-	-	3,613,356
Total deductions	<u>-</u>	<u>3,613,356</u>	<u>3,790</u>	<u>382,004</u>	<u>3,999,150</u>
Change in net position	112,067	113,143	(3,790)	49,088	270,508
NET POSITION:					
Beginning of year	<u>2,370,863</u>	<u>699</u>	<u>14,107</u>	<u>677,302</u>	<u>3,062,971</u>
End of year	<u>\$ 2,482,930</u>	<u>\$ 113,842</u>	<u>\$ 10,317</u>	<u>\$ 726,390</u>	<u>\$ 3,333,479</u>

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.	146 - 155
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	156 - 164
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.	165 - 170
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.	171 - 172
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.	173 - 177

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

	Fiscal Years				
	2016	2017 ⁽¹⁾	2018	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 157,898,999	\$ 166,082,543	\$ 169,053,563	\$ 175,347,890	\$ 177,654,735
Restricted	4,053,609	3,795,395	9,447,922	11,302,241	12,089,961
Unrestricted	13,006,316	5,126,523	(1,023,578)	(4,752,725)	(5,589,645)
Total governmental net position	<u>\$ 174,958,924</u>	<u>\$ 175,004,461</u>	<u>\$ 177,477,907</u>	<u>\$ 181,897,406</u>	<u>\$ 184,155,051</u>
Business-type activities:					
Net investment in capital assets	\$ 29,332,671	\$ 29,366,927	\$ 29,018,484	\$ 28,549,842	\$ 27,498,094
Restricted	11,783,670	11,854,918	13,395,402	12,728,682	12,551,198
Unrestricted	(2,613,339)	(1,742,673)	(1,498,515)	1,557,514	3,450,313
Total business-type net position	<u>\$ 38,503,002</u>	<u>\$ 39,479,172</u>	<u>\$ 40,915,371</u>	<u>\$ 42,836,038</u>	<u>\$ 43,499,605</u>
Primary government:					
Net investment in capital assets	\$ 187,231,670	\$ 195,449,470	\$ 198,072,047	\$ 203,897,732	\$ 205,152,829
Restricted	15,837,279	15,650,313	22,843,324	24,030,923	24,641,159
Unrestricted	10,392,977	3,383,850	(2,522,093)	(3,195,211)	(2,139,332)
Total primary gov't net position	<u>\$ 213,461,926</u>	<u>\$ 214,483,633</u>	<u>\$ 218,393,278</u>	<u>\$ 224,733,444</u>	<u>\$ 227,654,656</u>

⁽¹⁾ Restated to reflect implementation of GASB 75 and prior period adjustments

⁽²⁾ Restated to reflect implementation of GASB 101 and error corrections.

Source: City of Coachella

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

	Fiscal Years				
	2021	2022	2023	2024 ⁽²⁾	2025
Governmental activities:					
Net investment in capital assets	\$ 177,996,160	\$ 176,607,897	\$ 185,565,733	\$ 184,375,498	\$ 196,224,441
Restricted	11,338,507	21,736,651	19,415,808	18,469,626	23,614,547
Unrestricted	2,185,791	17,672,055	19,267,524	20,535,164	14,059,391
Total governmental net position	<u>\$ 191,520,458</u>	<u>\$ 216,016,603</u>	<u>\$ 224,249,065</u>	<u>\$ 223,380,288</u>	<u>\$ 233,898,379</u>
Business-type activities:					
Net investment in capital assets	\$ 27,504,364	\$ 29,657,790	\$ 30,986,449	\$ 28,935,952	\$ 35,728,243
Restricted	14,725,959	9,217,697	10,193,969	13,331,879	12,556,099
Unrestricted	2,537,511	11,617,350	7,077,096	6,758,234	3,554,077
Total business-type net position	<u>\$ 44,767,834</u>	<u>\$ 50,492,837</u>	<u>\$ 48,257,514</u>	<u>\$ 49,026,065</u>	<u>\$ 51,838,419</u>
Primary government:					
Net investment in capital assets	\$ 205,500,524	\$ 206,265,687	\$ 216,552,182	\$ 213,311,450	\$ 231,952,684
Restricted	26,064,466	30,954,348	29,609,777	31,801,505	36,170,646
Unrestricted	4,723,302	29,289,405	26,344,620	27,293,398	17,613,468
Total primary gov't net position	<u>\$ 236,288,292</u>	<u>\$ 266,509,440</u>	<u>\$ 272,506,579</u>	<u>\$ 272,406,353</u>	<u>\$ 285,736,798</u>

⁽¹⁾ Restated to reflect implementation of GASB 75 and prior period adjustments

⁽²⁾ Restated to reflect implementation of GASB 101 and error corrections.

Source: City of Coachella

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

	Fiscal Years				
	2016	2017	2018	2019	2020
Expenses:					
Governmental activities:					
General government	\$ 4,849,757	\$ 4,251,234	\$ 6,836,135	\$ 6,368,636	\$ 6,553,545
Public safety	12,338,488	11,972,181	11,280,788	11,886,177	11,774,356
Community development	-	-	1,857,803	2,016,154	1,790,318
Public works	8,461,080	8,553,492	9,407,247	9,249,130	8,328,169
Parks and recreation	2,504,397	2,547,807	3,048,758	2,681,043	2,568,131
Interest on long-term debt	290,576	284,159	595,177	673,403	670,778
Total governmental activities	28,444,298	27,608,873	33,025,908	32,874,543	31,685,297
Business-type activities					
Water	5,286,149	5,957,705	6,156,918	6,332,662	5,866,721
Sanitary	5,206,579	5,451,109	5,387,442	5,659,749	5,591,651
Total business-type activities	10,492,728	11,408,814	11,544,360	11,992,411	11,458,372
Total primary government expenses	38,937,026	39,017,687	44,570,268	44,866,954	43,143,669
Program Revenues					
Governmental activities:					
Charges for services:					
General government	995,116	1,403,812	481,951	501,631	796,669
Public safety	601,521	923,539	637,133	606,712	473,001
Community development	-	-	667,214	1,222,486	564,547
Public works	567,991	993,438	2,055,336	1,571,685	932,899
Parks and recreation	78,314	63,165	58,578	55,125	66,033
Operating grants and contributions	5,545,347	6,505,798	8,385,986	9,401,381	7,937,754
Capital grants and contributions	15,028,254	12,079,607	6,258,668	3,247,640	4,879,449
Total governmental activities program revenue	22,816,543	21,969,359	18,544,866	16,606,660	15,650,353
Business Type Activities					
Charges for services:					
Water	6,795,227	5,991,334	5,810,063	6,170,863	6,221,940
Sanitary	5,480,180	5,411,565	5,312,468	5,438,519	5,866,814
Capital grants and contributions	-	-	858,571	1,702,766	776,614
Total business-type activities	12,275,407	11,402,899	11,981,102	13,312,148	12,865,368
Total primary government activities program revenues	28,296,723	33,372,258	30,525,968	29,918,808	28,515,721
Net revenues (expenses):					
Governmental activities	(5,627,755)	(5,639,514)	(14,481,042)	(16,267,883)	(16,034,944)
Business-type activities	1,782,679	(5,915)	436,742	1,319,737	1,406,996
Total net revenues (expenses)	(3,845,076)	(5,645,429)	(15,878,586)	(14,948,146)	(14,627,948)

(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				
	2021	2022	2023	2024	2025
Expenses:					
Governmental activities:					
General government	\$ 7,540,100	\$ 6,549,997	\$ 4,540,138	\$ 11,911,955	\$ 13,316,990
Public safety	13,095,197	14,091,910	10,755,514	17,927,110	17,400,860
Community development	1,943,784	2,763,141	86,174	4,846,387	5,969,173
Public works	10,631,562	13,357,859	10,326,119	11,432,375	12,585,275
Parks and recreation	2,730,838	2,057,642	2,208,681	3,900,723	3,518,920
Interest on long-term debt	954,884	915,310	771,465	691,304	1,079,008
Total governmental activities	<u>36,896,365</u>	<u>39,735,859</u>	<u>28,688,091</u>	<u>50,709,854</u>	<u>53,870,226</u>
Business-type activities					
Water	7,121,639	6,595,413	910,853	8,958,174	8,278,124
Sanitary	5,816,793	6,089,286	5,475,261	8,457,435	7,283,012
Total business-type activities	<u>12,938,432</u>	<u>12,684,699</u>	<u>6,386,114</u>	<u>17,415,609</u>	<u>15,561,136</u>
Total primary government expenses	<u>49,834,797</u>	<u>52,420,558</u>	<u>35,074,205</u>	<u>68,125,463</u>	<u>69,431,362</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	601,681	578,245	862,241	1,068,138	17,790
Public safety	434,478	179,705	303,107	406,708	393,515
Community development	686,961	1,051,471	1,268,718	1,433,724	1,022,962
Public works	2,298,215	3,907,646	4,576,373	4,168,950	3,763,100
Parks and recreation	29,566	743	12,164	1,234	2,250
Operating grants and contributions	8,759,557	9,937,711	8,975,380	10,937,624	18,460,177
Capital grants and contributions	5,482,587	5,992,390	4,689,833	10,170,330	6,685,677
Total governmental activities program revenue	<u>18,293,046</u>	<u>21,647,911</u>	<u>20,687,817</u>	<u>28,186,708</u>	<u>30,345,471</u>
Business Type Activities					
Charges for services:					
Water	5,991,611	6,370,999	6,851,756	6,238,825	6,859,284
Sanitary	5,969,661	6,658,098	6,628,586	7,082,823	7,920,643
Capital grants and contributions	1,057,169	1,951,333	2,077,157	2,375,244	3,429,935
Total business-type activities	<u>13,018,441</u>	<u>14,980,430</u>	<u>15,557,499</u>	<u>15,696,892</u>	<u>18,209,862</u>
Total primary government activities program revenues	<u>31,311,487</u>	<u>36,628,341</u>	<u>36,245,316</u>	<u>43,883,600</u>	<u>48,555,333</u>
Net revenues (expenses):					
Governmental activities	(18,603,319)	(18,087,948)	(8,000,274)	(22,523,146)	(23,524,755)
Business-type activities	80,009	2,295,731	9,171,385	(1,718,717)	2,648,726
Total net revenues (expenses)	<u>(18,523,310)</u>	<u>(15,792,217)</u>	<u>1,171,111</u>	<u>(24,241,863)</u>	<u>(20,876,029)</u>

(Continued)

Source: City of Coachella

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

	Fiscal Years				
	2016	2017 (1)	2018	2019	2020
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,944,626	\$ 4,754,692	\$ 5,036,564	\$ 5,439,836	\$ 6,042,270
Other taxes	12,186,264	11,306,756	12,057,090	13,486,358	12,468,513
Interest and rental income	240,638	91,806	182,336	209,045	427,179
Other revenues	1,595,993	171,567	442,860	409,173	340,100
Transfers	1,280,352	1,268,912	1,022,479	910,030	1,573,863
Total governmental activities	<u>20,247,873</u>	<u>17,593,733</u>	<u>18,741,329</u>	<u>20,454,442</u>	<u>20,851,925</u>
Business-type activities					
Other taxes	122,031	140,354	146,243	183,787	178,215
Interest and rental income	191,419	(24,732)	(8,682)	560,759	713,094
Other revenues	-	759,370	1,001,380	679,155	705,991
Transfers	(1,280,352)	(1,268,912)	(1,022,479)	(910,030)	(1,573,863)
Total business-type activities	<u>(966,902)</u>	<u>(393,920)</u>	<u>116,462</u>	<u>513,671</u>	<u>23,437</u>
Total primary government	<u>19,280,971</u>	<u>17,199,813</u>	<u>18,857,791</u>	<u>20,968,114</u>	<u>20,875,363</u>
Changes in Net Position					
Governmental activities	5,766,831	1,325,850	2,706,385	1,851,123	2,763,977
Business-type activities	(530,160)	925,817	1,523,458	593,680	2,319,168
Total primary government	<u>\$ 5,236,671</u>	<u>\$ 2,251,667</u>	<u>\$ 4,229,843</u>	<u>\$ 2,444,803</u>	<u>\$ 5,083,145</u>

(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				
	2021	2022	2023	2024	2025
General Revenues					
Governmental activities:					
Taxes:					
Property taxes	\$ 6,271,457	\$ 6,474,314	\$ 7,708,910	\$ 7,976,283	\$ 8,945,307
Other taxes	16,967,648	19,386,064	20,529,540	20,083,154	19,664,163
Interest and rental income	60,372	(76,808)	369,533	1,170,319	2,048,964
Other revenues	453,340	3,069,849	624,518	534,374	1,322,644
Transfers	1,700,538	1,582,463	1,523,107	2,216,779	2,048,850
Total governmental activities	<u>25,453,355</u>	<u>30,435,882</u>	<u>30,755,608</u>	<u>31,980,909</u>	<u>34,029,928</u>
Business-type activities					
Other taxes	172,514	228,704	197,251	232,753	247,664
Interest and rental income	(29,085)	(706,577)	187,974	1,126,203	1,209,501
Other revenues	529,607	674,492	621,276	658,681	655,313
Transfers	(1,700,538)	(1,582,463)	(1,523,107)	(2,216,779)	(2,048,850)
Total business-type activities	<u>(1,027,502)</u>	<u>(1,385,844)</u>	<u>(516,606)</u>	<u>(199,142)</u>	<u>63,628</u>
Total primary government	<u>24,425,854</u>	<u>29,050,039</u>	<u>30,239,003</u>	<u>31,781,768</u>	<u>34,093,556</u>
Changes in Net Position					
Governmental activities	25,453,356	22,435,608	8,232,462	8,456,154	10,505,173
Business-type activities	(1,027,502)	7,785,541	(2,235,323)	2,449,584	2,712,354
Total primary government	<u>\$ 24,425,854</u>	<u>\$ 30,221,149</u>	<u>\$ 5,997,139</u>	<u>\$ 10,905,738</u>	<u>\$ 13,217,527</u>

(Concluded)

Source: City of Coachella

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

	Fiscal Years				
	2016	2017	2018	2019	2020 *
General Fund:					
Nonspendable	\$ 1,086,738	\$ 4,508,082	\$ 15,626,798	\$ 8,771,350	\$ 8,255,095
Restricted	1,034	1,046	1,045	1,079	74,850
Committed	962,276	1,895,358	58,049	79,063	-
Assigned	545	545	545	545	-
Unassigned	7,810,266	4,632,342	6,993,819	6,390,418	8,284,935
Total general fund	<u>\$ 9,860,859</u>	<u>\$ 11,037,373</u>	<u>\$ 22,680,256</u>	<u>\$ 15,242,455</u>	<u>\$ 16,614,880</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ 68,311	\$ 65,872	\$ 63,432
Restricted	4,946,650	4,387,395	11,389,809	10,461,224	9,510,314
Committed	4,028,827	15,424,846	-	11,219,884	11,534,548
Assigned	1,631,603	940,181	-	-	-
Unassigned	(62,260)	(3,723,091)	(13,315,214)	(18,895,816)	(20,103,042)
Total all other governmental funds	<u>\$ 10,544,820</u>	<u>\$ 17,029,331</u>	<u>\$ (1,857,094)</u>	<u>\$ 2,851,164</u>	<u>\$ 1,005,252</u>
Total governmental funds	<u>\$ 20,405,679</u>	<u>\$ 28,066,704</u>	<u>\$ 20,823,162</u>	<u>\$ 18,093,619</u>	<u>\$ 17,620,132</u>

* Reclassification was made to committed fund balances for all other governmental funds.

Source: City of Coachella

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

	Fiscal Years				
	2021 *	2022 *	2023	2024	2025
General Fund:					
Nonspendable	\$ 7,469,937	\$ 9,671,209	\$ 9,876,579	\$ 10,658,680	\$ 13,097,809
Restricted	-	-	-	92,925	-
Committed	6,701,122	6,701,122	8,375,378	8,375,378	9,804,903
Assigned	4,600,000	4,600,000	4,633,110	4,633,110	7,238,113
Unassigned	3,109,913	12,859,944	17,762,967	20,589,590	12,250,551
Total general fund	<u>\$ 21,880,972</u>	<u>\$ 33,832,275</u>	<u>\$ 40,648,034</u>	<u>\$ 44,349,683</u>	<u>\$ 42,391,376</u>
All other governmental funds:					
Nonspendable	\$ 60,993	\$ 58,553	\$ 56,113	\$ 53,674	\$ 51,234
Restricted	10,758,684	12,841,882	12,104,435	11,255,613	11,132,086
Committed	10,922,417	10,311,490	9,689,030	10,426,147	9,133,619
Assigned	-	-	-	-	-
Unassigned	(20,468,868)	(22,777,711)	(18,175,882)	(18,601,494)	(21,357,675)
Total all other governmental funds	<u>\$ 1,273,226</u>	<u>\$ 434,214</u>	<u>\$ 3,673,696</u>	<u>\$ 3,133,940</u>	<u>\$ (1,040,736)</u>
Total governmental funds	<u>\$ 23,154,198</u>	<u>\$ 34,266,489</u>	<u>\$ 44,321,730</u>	<u>\$ 47,483,623</u>	<u>\$ 41,350,640</u>

* Reclassification was made to committed fund balances for all other governmental funds.

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				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 17,164,738	\$ 17,984,732	\$ 17,871,790	\$ 19,848,580	\$ 19,279,880
Licenses and permits	798,212	816,351	271,415	285,142	460,245
Charges for services	450,980	628,946	1,372,626	881,539	639,637
Fines, forfeitures and penalties	502,295	602,642	527,480	374,848	395,433
Intergovernmental	15,923,966	8,046,558	4,854,874	8,631,744	9,025,629
Developer fees	993,438	1,800,199	1,330,260	537,766	1,850,336
Special Assessments	3,228,493	3,489,601	3,643,875	3,562,383	3,691,811
Investment Income*	240,638	32,899	217,530	445,900	662,261
Other income	1,595,993	900,843	1,944,043	814,026	1,120,728
Total revenues	<u>40,898,753</u>	<u>34,302,771</u>	<u>32,033,893</u>	<u>35,381,928</u>	<u>37,125,960</u>
Expenditures:					
Current:					
General government	4,348,014	5,150,306	5,767,796	6,070,256	6,399,115
Public safety	11,905,352	12,700,293	11,755,720	11,744,788	12,920,006
Community development			2,623,874	2,596,794	1,756,301
Engineering**					
Public works	7,190,094	7,601,727	4,934,863	4,631,386	5,964,293
Capital outlays	16,452,981	13,482,382	18,782,238	12,652,515	10,654,477
Debt service:					
Pass-through Agreements	-	-	-	-	-
Principal retirements	165,000	559,477	496,005	513,490	6,131,077
Interest and fiscal changes	284,709	566,473	765,920	777,725	973,999
Total expenditures	<u>40,346,150</u>	<u>40,060,658</u>	<u>45,126,416</u>	<u>38,986,954</u>	<u>44,799,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>552,603</u>	<u>(5,757,887)</u>	<u>(13,092,523)</u>	<u>(3,605,026)</u>	<u>(7,673,308)</u>
Other financing sources (uses):					
Issuance of debt / Inception of Leases	-	12,150,000	-	-	5,445,169
Transfers in	19,309,673	17,609,220	29,980,647	17,862,813	15,595,993
Transfers out	(18,029,321)	(16,340,308)	(28,958,168)	(16,952,783)	(14,022,130)
Total other financing sources (uses)	<u>1,280,352</u>	<u>13,418,912</u>	<u>1,022,479</u>	<u>910,030</u>	<u>7,019,032</u>
Net change in fund balances	<u>\$ (1,902,455)</u>	<u>\$ 1,832,955</u>	<u>\$ 7,661,025</u>	<u>\$ (12,070,044)</u>	<u>\$ (2,694,996)</u>
Debt service as a percentage of non-capital expenditures	<u>1.88%</u>	<u>4.24%</u>	<u>4.79%</u>	<u>4.90%</u>	<u>20.81%</u>

Source: City of Coachella

* The City started tracking investment income separately from fair value changes in fiscal year 2021 as shown in the City's financial statement. Fair value change information is not available for receding years, so both components are shown netted here to avoid looking like there was no fair value change in the preceding years.

** Engineering was previously grouped with Public Works; however, Engineering is a separate department and has been presented separately in fiscal 2021 to avoid confusion.

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

	Fiscal Years				
	2021	2022	2023	2024	2025
Revenues:					
Taxes	\$ 24,245,454	\$ 26,806,312	\$ 28,616,817	\$ 29,852,423	\$ 29,593,190
Licenses and permits	648,250	738,102	910,130	508,714	700,540
Charges for services	676,676	1,388,634	1,051,477	816,517	652,970
Fines, forfeitures and penalties	155,740	261,878	374,373	329,632	344,786
Intergovernmental	8,785,762	5,219,973	17,218,966	8,797,501	11,313,146
Developer fees	3,716,801	3,926,867	3,701,165	913,683	3,297,276
Special Assessments	3,978,786	4,269,595	4,586,562	5,439,394	5,848,133
Investment Income*	6,722	(380,225)	649,571	1,645,865	2,716,088
Other income	727,402	3,655,227	1,296,843	765,999	2,392,576
Total revenues	<u>42,941,593</u>	<u>45,886,363</u>	<u>58,405,904</u>	<u>49,069,728</u>	<u>56,858,705</u>
Expenditures:					
Current:					
General government:	8,015,833	6,605,748	8,008,593	9,626,694	11,400,431
Public safety	19,468,415	13,499,481	14,271,194	14,480,916	17,292,389
Community development	4,003,013	1,641,748	3,303,079	5,209,986	5,703,594
Engineering**	1,585,914	797,722	656,415	922,728	933,756
Public works	8,805,327	8,799,241	6,823,545	9,539,164	7,868,195
Capital outlays	8,435,278	4,953,307	14,676,570	10,787,478	20,104,922
Debt service:					
Pass-through Agreements	-	-	-	-	-
Principal retirements	523,769	1,268,377	1,316,670	1,351,350	1,840,423
Interest and fiscal changes	840,090	851,449	833,452	940,234	1,305,465
Total expenditures	<u>51,677,639</u>	<u>38,417,073</u>	<u>49,889,518</u>	<u>52,858,550</u>	<u>66,449,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,736,046)</u>	<u>7,469,290</u>	<u>8,516,386</u>	<u>(3,788,822)</u>	<u>(9,590,470)</u>
Other financing sources (uses):					
Issuance of debt / Inception of Leases	12,569,574	-	15,748	5,220,458	1,408,637
Transfers in	15,193,966	12,930,703	5,011,266	12,317,937	24,381,524
Transfers out	(13,493,428)	(11,348,240)	(3,488,159)	(10,101,158)	(22,332,674)
Total other financing sources (uses)	<u>14,270,112</u>	<u>1,582,463</u>	<u>1,538,855</u>	<u>7,437,237</u>	<u>3,457,487</u>
Net change in fund balances	<u>\$ (654,276)</u>	<u>\$ 5,534,066</u>	<u>\$ 10,055,241</u>	<u>\$ 3,648,415</u>	<u>\$ (6,132,983)</u>
Debt service as a percentage of non-capital expenditures	<u>3.15%</u>	<u>6.33%</u>	<u>6.11%</u>	<u>5.45%</u>	<u>6.79%</u>

Source: City of Coachella

* The City started tracking investment income separately from fair value changes in fiscal year 2021 as shown in the City's financial statement. Fair value change information is not available for receding years, so both components are shown netted here to avoid looking like there was no fair value change in the preceding years.

** Engineering was previously grouped with Public Works; however, Engineering is a separate department and has been presented separately in fiscal 2021 to avoid confusion.

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
2016	\$ 1,623,808,162	\$ 145,480,073	\$ 1,478,328,089	\$ 20,451,439	\$ 1,457,876,650	6.63	5.37%
2017	1,727,928,171	162,063,787	1,565,864,384	20,357,878	1,545,506,506	6.63	6.01%
2018	1,830,267,163	166,032,882	1,664,234,281	20,230,661	1,644,003,620	6.63	6.37%
2019	1,930,830,307	161,356,142	1,769,474,165	20,100,322	1,749,373,843	6.63	6.41%
2020	1,969,716,926	155,067,666	1,814,649,260	19,789,806	1,794,859,454	6.63	2.60%
2021	2,153,070,000	180,727,000	1,972,343,000	19,514,282	1,952,828,718	6.63	8.80%
2022	2,286,171,648	193,864,048	2,092,307,600	22,861,716	2,069,445,884	6.63	5.97%
2023	2,607,373,382	193,604,413	2,413,768,969	26,073,734	2,387,695,235	6.63	15.38%
2024	2,939,133,322	161,891,358	2,777,241,964	29,391,333	2,747,850,631	7.63	15.08%
2025	3,103,367,022	197,343,662	2,906,023,360	19,315,306	2,886,708,054	7.63	5.05%

Source: Riverside County Assessor data, Avenu Insights & Analytics

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⁾	Factor of Taxable Assessed Value ⁽³⁾
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	.03101230	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 ⁽⁴⁾	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
2021-22	1,537,904,304	306,338,228	460,872,684	89,836,487	191,037,230	2,203,914,473	.03101123	2,530,157,427	1.148029
2022-23	1,687,763,261	274,597,681	540,314,426	104,698,014	193,604,413	2,413,768,969	.03101123	2,935,671,682	1.216219
2023-24	1,851,320,132	289,679,763	699,630,285	98,503,142	161,891,358	2,777,241,964	.03101123	4,031,608,785	1.216219
2024-25	2,076,128,336	299,549,358	622,264,130	105,425,198	197,343,662	2,906,023,360	.03101123	3,937,307,118	1.354878

⁽¹⁾ Other Value contains state utility in the amount of \$1,033,243.

⁽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.

⁽⁴⁾ During the 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.

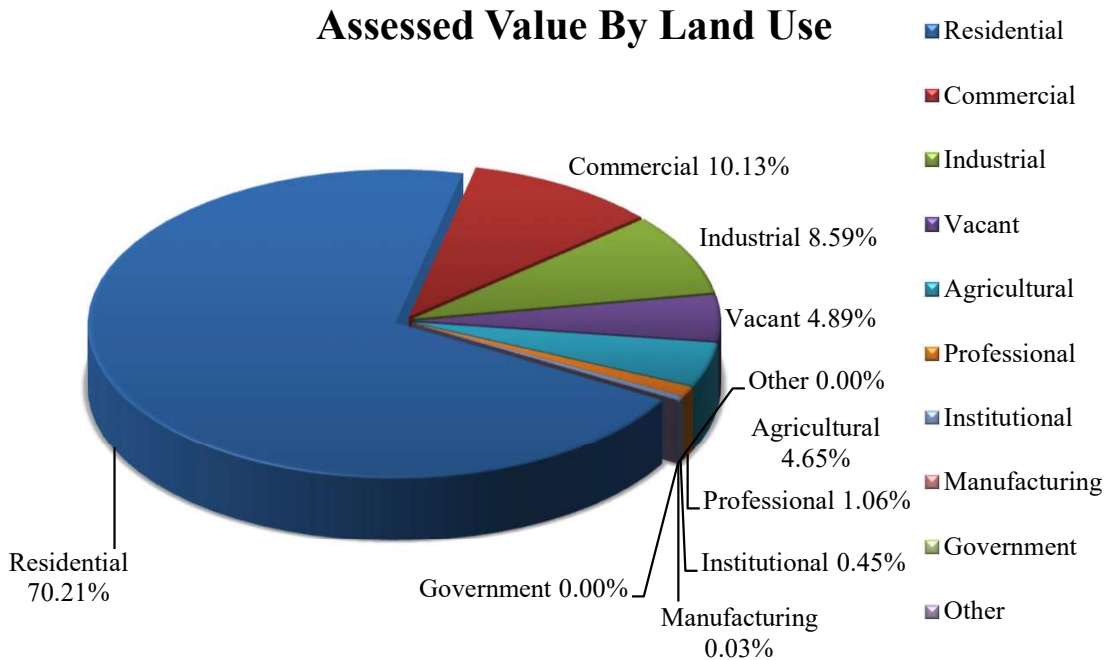
Source: Riverside County Assessor data, MuniServices, LLC / Neumo



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

Category	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	\$1,046,676	\$1,104,721	\$1,172,396	\$1,228,727	\$1,286,033	\$1,431,671	\$1,537,904	\$1,687,763	\$1,851,320	\$2,076,128
Commercial	399,750	420,392	443,568	486,062	508,709	269,046	306,338	274,598	289,680	299,549
Industrial	9,694	9,795	9,983	11,637	9,589	188,385	157,494	210,894	235,433	253,914
Vacant	125,571	130,128	137,644	154,534	168,094	141,173	121,844	127,634	135,799	144,555
Agricultural	26,904	37,755	37,755	37,108	45,998	124,919	141,573	112,316	130,231	137,417
Irrigated	26,589	28,845	27,249	27,245	27,174	-	-	-	34,080	35,529
Professional	-	-	-	-	-	14,567	18,055	22,822	30,811	31,427
Institutional	-	-	-	-	-	14,516	15,554	15,865	16,307	13,176
Recreational	13,702	13,812	12,295	11,597	11,132	-	-	-	12,457	5,075
Manufacturing	-	-	-	-	-	7,289	4,949	5,295	5,506	1,033
Unitary	602	602	602	991	991	991	991	1,033	1,033	138
Unknown	-	-	-	-	-	1,302	158	498	508	-
Government	-	-	-	-	8,919	2,777	255	-	-	-
Other	51,394	54,639	51,750	51,545	39,375	2,293	1,149	1,033	-	-
Gross Secured Value	1,700,883	1,800,689	1,893,242	2,009,446	2,106,014	2,198,929	2,306,264	2,459,751	2,743,164	2,997,941
Unsecured	68,540	73,439	77,734	91,091	86,353	89,537	89,836	104,698	98,503	105,425
Exemptions	162,064	166,033	161,356	175,492	180,727	193,864	191,037	193,604	161,891	197,344
Net Secured Value	\$1,607,359	\$1,708,095	\$1,809,620	\$1,925,045	\$2,011,640	\$2,094,602	\$2,205,063	\$2,370,845	\$2,679,776	\$2,906,022



Source: Riverside County Assessor data, MuniServices, LLC / Neumo

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				
	2015-16	2016-17	2017-18	2018-19	2019-20
Basic City and County Levy					
County General	0.103064	0.103064	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	0.031009	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	0.036487	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	0.181876	0.181867	0.181867	0.181867
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
Coachella Valley Uuified	0.132180	0.166010	0.176090	0.149540	0.148760
Desert Community College	0.020870	0.020360	0.040300	0.039780	0.039830
Coachella Valley Water	0.100000	0.100000	0.100000	0.100000	0.100000
TOTAL	0.253050	0.286370	0.316390	0.289320	0.288590
TOTAL TAX RATE	1.253050	1.286370	1.316390	1.289320	1.288590

(Continued)

For purposes of this table TRA 12-000 is represented

Source: Riverside County Assessor data, MuniServices, LLC / Neumo

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

	Fiscal Years				
	2020-21	2021-22	2022-23	2023-24	2024-25
Basic City and County Levy					
County General	0.103065	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	0.031011	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	0.036493	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	0.181867	0.181867	0.181867	0.181867	0.181867
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments					
Coachella Valley Uuified	0.145490	0.136650	0.134500	0.128370	0.115540
Desert Community College	0.039470	0.039500	0.039500	0.039500	0.039500
Coachella Valley Water	0.100000	0.110000	0.110000	0.110000	0.110000
TOTAL	0.284960	0.286150	0.284000	0.277870	0.265040
TOTAL TAX RATE	1.284960	1.286150	1.284000	1.277870	1.265040

(Concluded)

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
2016	\$ 14,578,767	\$ 14,578,767	100%	-	-	0%
2017	15,455,065	15,455,065	100%	-	-	0%
2018	16,440,036	16,440,036	100%	-	-	0%
2019	17,493,738	17,493,738	100%	-	-	0%
2020	17,948,595	17,948,595	100%	-	-	0%
2021	19,528,287	19,528,287	100%	-	-	0%
2022	20,694,459	20,694,459	100%	-	-	0%
2023	23,876,952	23,876,952	100%	-	-	0%
2024	27,478,506	27,478,506	100%	-	-	0%
2025	28,867,081	28,867,081	100%	-	-	0%

Source: Riverside County Assessors Office

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

Taxpayer	2024-25		2015-16	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Armtech Defense Products Co	\$ 38,909,469	1.34%	26,420,627	0.016872871
California Artichoke & Veg Growers Corp	31,877,185	1.10%	11,366,088	0.73%
C & J Desert Prop	31,752,996	1.09%		
NB Coachella Prop Inc.	27,357,222	0.94%		
Anthony Vineyards Inc.	25,709,694	0.88%	14,679,257	0.94%
SoCo	24,849,086	0.86%	31,197,289	1.99%
Verde Real Estate Holdings	24,525,021	0.84%		
MB-26 LLC	21,863,799	0.75%		
Tower Energy Group	18,661,078	0.64%		
KPC Dev Co	17,177,863	0.59%		
Luxtor Limited	16,796,805	0.58%		
Orchard Villas Apartments LP	16,616,834	0.57%		
Coachella Big Block	13,998,660	0.48%		
Grimmway Enterprises Inc.	13,905,861	0.48%	8,776,460	0.56%
SVC HYB Lease Pool 4	13,707,887	0.47%		
DVD Plant	13,250,000	0.46%		
99 Only Stores	13,118,065	0.45%		
Woodspur Farming	12,973,643	0.45%		
Walmart Stores Inc.	12,720,887	0.44%	18,967,305	1.21%
Pulte Home Co	11,969,463	0.41%		
Cabazon Band Of Cahuilla Indians	11,832,298	0.41%		
Leslie Edwin W	11,745,444	0.40%		
Coachella CA I SGF	11,726,345	0.40%		
Sun Date LLC	10,983,370	0.38%	5,045,870	0.32%
PSAV	10,781,951	0.37%	8,845,107	0.56%
Halum Abesud Mona			16,089,549	1.03%
Sun World Packing Corporation			15,979,973	1.02%
Coachella Vineyard Estates			11,425,000	0.73%
HPT TA Prop Trust			10,375,784	0.66%
A S Coachella Centers			8,509,945	0.54%
Camp Court			8,160,404	0.52%
Sun Sands Enterprise			8,028,058	0.51%
Cauzza Four Drug Store			7,374,617	0.47%
Desert Lakes Master			7,018,000	0.45%
LB			6,312,810	0.40%
CVP Palm Springs			6,276,057	0.40%
S D Inv Inc.			6,166,476	0.39%
Wm Sub Esc LLC			6,119,783	0.39%
Christopher Coachella			5,915,019	0.38%
Coachella Harrison Partners			5,449,995	0.35%
BCI Coca Cola Bottling Co			5,407,500	0.35%
Nika Royal			5,381,250	0.34%
Total Top 25 Taxpayers	458,810,926	15.79%	265,288,223	16.94%
Total Taxable Value	\$ 2,906,023,360	100.00%	1,565,864,384	100.00%

Source: Riverside County Assessor data, MuniServices, LLC / Neumo

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

2024-25		2015-16	
<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxpayer</u>	<u>Business Type</u>
Arco AM/PM Mini Marts	Service Stations	99 Cents Only Stores	Department Stores
Autozone	Auto Parts/Repair	Arco AM/PM Mini Marts	Service Stations
Beck Oil	Energy Sales	Autozone	Auto Parts/Repair
Cardenas Market	Food Markets	Beck Oil	Energy Sales
Carl's Jr. Restaurants	Restaurants	Cardenas Market	Food Markets
Chevron Service Stations	Service Stations	Carl's Jr. Restaurants	Restaurants
Coachella Power Group	Service Stations	Chevron Service Stations	Service Stations
Crop Production Services	Florist/Nursery	Del Taco	Restaurants
Dd's Discounts	Apparel Stores	Desert Redi-Mix	Bldg.Matls-Whsle
Del Taco	Restaurants	Fallas Paredes	Apparel Stores
Desert Redi-Mix	Bldg.Matls-Whsle	Fastrip Service Stations	Service Stations
Eberhard Equipment	Heavy Industry	Food 4 Less	Food Markets
Fastrip Service Stations	Service Stations	Foster & Gardner	Florist/Nursery
Food 4 Less	Food Markets	Fulton Distributing Company	Light Industry
Foster & Gardner	Florist/Nursery	Hydro Ag Systems	Heavy Industry
Fulton Distributing Company	Light Industry	Imperial Sprinkler Supply	Florist/Nursery
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	Soco Service Stations	Service Stations
Smart & Final	Food Markets	South West Pump & Drilling	Bldg.Matls-Whsle
Tower Mart & Gas	Service Stations	Travel Center	Service Stations
Travel Center	Service Stations	Union 76 Service Stations	Service Stations
Wal Mart Neighborhood Market	Food Markets	Wal Mart Neighborhood Market	Food Markets
Wingstop	Restaurants	Wells Supply Company	Bldg.Matls-Retail

Source: MuniServices, LLC / Neumo

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	Loans Payable	Revenue Bonds	Lease Payable	Pension Obligation Bonds	Revenue Bonds	Loans Payable	Lease Payable			
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	1,054	
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	1,050	
2021	12,569,574	-	906,183	15,915,797	-	5,020,426	19,168,549	10,812,488	-	64,393,017	1,346	
2022	11,854,988	-	834,613	15,393,641	-	4,735,012	19,579,296	9,444,211	-	61,841,761	1,467	
2023	11,115,391	-	760,127	14,817,446	24,184	4,439,609	18,542,325	8,045,728	-	57,744,811	1,360	
2024	10,365,076	-	682,605	14,299,329	5,231,128	4,139,925	17,536,301	6,606,345	-	58,860,709	1,363	
2025	9,604,041	-	601,926	13,722,173	6,171,056	3,835,959	16,491,060	5,140,351	2,188,564	57,755,130	1,301	

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				
	2016	2017	2018	2019	2020
Assessed valuation	\$ 1,727,928,171	\$ 1,830,267,163	\$ 1,930,830,307	\$ 1,969,716,926	\$ 2,153,070,162
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	431,982,043	457,566,791	482,707,577	492,429,232	538,267,541
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	64,797,306	68,635,019	72,406,137	73,864,385	80,740,131
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 64,797,306</u>	<u>\$ 68,635,019</u>	<u>\$ 68,635,019</u>	<u>\$ 73,864,385</u>	<u>\$ 80,740,131</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				
	2021	2022	2023	2024	2025
Assessed valuation	\$ 2,286,171,648	\$ 2,394,951,703	\$ 2,607,373,382	\$ 2,939,133,322	\$ 3,103,367,022
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	571,542,912	598,737	651,843,346	734,783,331	775,841,756
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	85,731,437	89,811	97,776,502	110,217,500	116,376,263
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 85,731,437</u>	<u>\$ 89,811</u>	<u>\$ 97,776,502</u>	<u>\$110,217,500</u>	<u>\$ 116,376,263</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

(Concluded)

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 Direct and Overlapping Bonded Debt (Unaudited)

2024-25 Assessed Valuation: \$2,925,402,366

\$2,432,958,563

	Total Debt 6/30/2025	% Applicable	City's Share of Debt 6/30/2025
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Desert Community College District	\$ 640,515,000	2.476%	\$ 15,859,151
Coachella Valley Unified School District	200,619,345	16.426%	32,953,734
Desert Sands Unified School District	475,170,000	0.355%	1,686,854
City of Coachella Community Facilities District No. 2018-1	5,315,000	100.00%	5,315,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 55,814,739
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	1,134,209,783	0.689%	\$ 7,814,705
Riverside County Pension Obligations	603,055,000	0.689%	4,155,049
Coachella Valley Unified School District Certificates of Participation	31,156,380	16.426%	5,117,747
Desert Sands Unified School District Certificates of Participation	6,325,000	0.355%	22,454
City of Coachella Lease Revenue Bonds	16,522,305	100.00%	16,522,305 (1), (3)
City of Coachella Pension Obligation Bonds	13,440,000	100.00%	13,440,000 (4)
Desert Recreation District General Fund Obligations	993,462	4.051%	40,245
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 47,112,505
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 243,445,000	0.015-100%	\$ 22,878,108
Total Direct Debt			\$ 29,962,305
Total Overlapping Debt			\$ 95,843,047
Combined Total Debt			\$ 125,805,352 (2)

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.91%
Total Direct Debt (\$29,962,305).....	1.02%
Gross Combined Total Debt	4.30%

Ratios to Redevelopment Incremental Valuation (\$1,527,619,792):

Total Overlapping Tax Increment Debt.....	1.50%
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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 lease obligations.
- (3) Lease Revenue bonds are allocated between General Government \$14,549,804 and Business type activities \$1,972,501.
- (4) Pension obligation bonds are allocated between General Government \$9,604,041 and business type activities \$3,835,959.

Source: MuniServices, LLC / Neumo
California Municipal Statistics, Inc.

City of Coachella
Revenue Bond Coverage - Coachella Sanitary District ⁽³⁾
Last Ten Fiscal Years

Fiscal Year	Gross	Gross	Net Revenue	Debt Service Requirements			Coverage (2)
	Revenues	Expenses (1)	Available for Debt Service	Principal	Interest	Total	
2025	\$ 9,622,869	\$ 4,794,124	\$ 4,828,745	\$ 1,869,265	\$ 451,792	\$ 2,321,057	2.08
2024	7,769,961	4,506,199	3,263,762	1,887,625	508,540	2,396,165	1.36
2023	7,329,443	3,965,678	3,363,765	1,835,736	559,065	2,394,801	1.40
2022	6,946,444	3,366,494	3,579,950	1,835,433	606,155	2,441,588	1.47
2021	6,980,261	4,031,606	2,948,655	1,598,323	622,885	2,221,208	1.33
2020	7,114,840	3,814,702	3,300,138	1,560,878	660,682	2,221,560	1.49
2019	6,856,677	3,549,997	3,306,680	1,524,223	690,689	2,214,912	1.49
2018	6,403,474	3,580,667	2,822,807	1,493,342	730,335	2,223,677	1.27
2017	5,894,831	3,204,126	2,690,705	1,448,212	776,671	2,224,883	1.21
2016	5,611,013	3,358,002	2,253,011	1,403,816	850,100	2,253,916	1.00

(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(1)	Gross Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
2025	\$ 8,638,402	\$ 6,115,079	\$ 2,523,323	\$ 663,166	\$ 506,456	\$ 1,169,622	2.16
2024	7,709,084	5,539,911	2,169,173	610,000	406,400	1,016,400	2.13
2023	7,121,493	5,135,613	1,985,880	655,000	356,183	1,011,183	1.96
2022	7,551,301	4,894,444	2,656,857	757,175	265,125	1,022,300	2.60
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

(1) Excludes connection charges, gain or losses on investments

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

(3) 1.25 debt service coverage requirement, per bond resolutions

Source: City of Coachella

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)
2015-16	45,407	16,700	1,900	18,862	6.7%	10.4%	2,347,828	1.93%
2016-17	54,557	17,100	1,800	18,719	6.1%	9.4%	2,384,783	2.29%
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	1.93%
2020-21	47,825	16,200	3,800	17,539	9.9%	16.0%	2,454,453	1.9%
2021-22	42,158	19,000	1,600	16,865	3.4%	7.7%	2,435,525	1.7%
2022-23	42,462	18,600	1,700	16,686	4.4%	8.5%	2,439,234	1.7%
2023-24	43,173	18,700	1,700	16,276	4.4%	8.3%	2,442,378	1.8%
2024-25	44,384	21,300	1,900	16,052	4.9%	8.0%	2,495,640	1.8%

Source: MuniServices, LLC / Neumo

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.

*Student Enrollment reflects the total number of students enrolled in the Coachella Valley Unified School District.

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

Business Name	2024-25		2015-16	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Spotlight 29 Casino	1,128	4.88%	600	3.33%
Coachella Valley Unified School District (1)	617	2.67%	560	3.11%
Ernie Ball Inc/Paladar	450	1.95%	326	1.81%
Armtec Defense (Subsidiary of Esterline Defense Technology)	326	1.41%	238	1.32%
Coachella Valley Water District	191	0.83%	199	1.11%
Augustine Casino	178	0.77%	400	2.22%
Valley Pride	158	0.68%	102	0.57%
City of Coachella (2)	95.5	0.41%		
Reyes Coca-Cola Enterprises Inc.	95	0.41%	105	0.58%
Cardenas Markets (Market #18)	91	0.39%	128	0.71%
Teserra Outdoors (formerly California Pools)			136	0.76%
Total Top 10 Employers	3,330	14.41%	2,794	15.52%
Total City Labor Force (2)	23,100		18,000	

Source: MuniServices, LLC / Neumo

Source: FY2015-16, City of Coachella -- ACFR Publication Report

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

(1) No response received; prior year count applied.

(2) City of Coachella - FY 2024-25 Budget Publication Report.

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

	Fiscal Year									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Government										
Administration	4.30	4.30	3.80	4.00	4.00	4.00	2.50	6.00	6.50	9.00
Development Services	4.50	4.50	4.50	4.50	4.50	5.50	5.50	9.50	7.50	8.50
Development Services - Code Enforcement*	5.00	5.40	5.00	5.00	4.00	4.00	4.00	6.00	6.00	8.00
Development Services - Graffiti Abatement*		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.50	4.50	3.50	3.50	4.00	4.00	4.50	7.52	7.02	6.18
General Government	4.00	6.40	6.40	6.40	6.40	6.40	5.40	4.00	-	-
Engineering*	4.20	4.20	4.00	3.80	4.30	4.30	4.30	4.20	4.20	4.20
Public Works*	20.93	2.23	1.31	1.33	1.50	1.50	2.00	1.70	1.70	2.40
Public Works - Building Maintenance*	*	*	*	*	*	*	*	*	*	4.00
Public Works - Fleet Maintenance*	*	*	*	*	*	*	*	*	*	2.00
Public Works - Parks*		9.00	7.75	8.00	8.00	8.00	10.00	9.00	5.00	6.00
Public Works - Senior Center	4.00	4.00	4.00	3.00	2.00	2.00	2.00	3.00	3.00	4.00
Public Works - Streets*		6.10	6.10	6.10	6.10	6.10	6.10	5.50	7.00	7.00
Landscape & Lighting District	2.00	2.00	1.87	1.20	1.20	1.20	1.20	1.30	1.30	1.30
Sanitary District	15.13	14.64	14.63	15.83	15.75	15.75	16.00	15.79	15.53	16.60
Water Agency	14.64	15.13	14.14	17.34	17.25	17.25	16.50	16.49	17.25	15.32
Grand Total	<u>71.00</u>	<u>68.00</u>	<u>79.00</u>	<u>79.00</u>	<u>80.00</u>	<u>81.00</u>	<u>81.00</u>	<u>91.00</u>	<u>83.00</u>	<u>95.50</u>

(1) This report does not include elected officials.

(2) Some positions are distributed among two or more departments for accounting purposes.

(3) Some City staff and management also serve in similar functions for component units such as Coachella Water Authority and Coachella Sanitary District.

* 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				
	2016	2017	2018	2019	2020
Public safety					
Police service hours (per day)	90	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	13	13	8	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	8	9	9
Swimming pools	2	2	2	1	1
Basketball courts	5	5	5	5	5
Community centers	2	2	1	1	1
Water					
Water meters active	8,322	8,322	8,384	8,336	8,487
Fire hydrants	550	550	554	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
Capital Asset Statistics by Function (Continued)
Last Ten Fiscal Years

Function	Fiscal Year				
	2021	2022	2023	2024	2025
Public safety					
Police service hours (per day)	90	90	90	90	90
Fire stations	1	1	1	1	1
Personnel (full time)	11	11	11	11	11
Public works - streets					
Streets (miles)	109	109	140	140	140
Streetlights	1,809	1,809	1,809	1,929	1,929
Public works - parks					
Parks acreage	89	89	89	79	79
Parks	9	9	9	10	10
Swimming pools	1	1	1	1	1
Basketball courts	5	5	5	5	5
Community centers	1	1	1	1	1
Water					
Water meters active	9,080	9,163	9,163	9,242	9,367
Fire hydrants	552	556	556	556	556
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				
	2016	2017	2018	2019	2020
Police **					
Homicide	4	0	1	1	2
Rape	4	2	5	6	6
Robbery	51	18	26	44	39
Aggravated Assault	96	38	46	50	90
Burglary	200	95	81	136	135
Motor Vehicle Theft	236	119	191	212	159
Larceny Theft	802	426	606	631	580
Arson	0	0	0	0	0
Fire					
Average Response Time (minutes)	3.9	3.9	4.3	4.2	4.6
Structural Fires	14	11	13	14	19
Commercial Fires	1	3	5	4	7
Other Fires	116	141	129	121	154
Medical aids	1,731	1,907	1,700	1,905	2,321
Traffic Collisions	234	293	204	241	249
Water					
New connections	25	16	67	43	151
Average daily consumption (gallons)	5,600,000	6,307,000	6,496,235	5,925,945	5,689,729
Wastewater					
Average daily sewage treatment (gallons)	2,534,000	2,573,000	2,649,000	2,712,000	2,603,896

** 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				
	2021	2022	2023	2024	2025
Police (based on calendar year) **					
Homicide	2	9	7	7	15
Rape	6	1	14	14	16
Robbery	39	36	28	28	21
Aggravated Assault	92	108	141	141	83
Burglary	58	90	88	88	90
Motor Vehicle Theft	159	164	172	172	182
Larceny Theft	498	464	439	439	548
Arson	4	3	7	7	19
Fire					
Average Response Time (minutes)	4.7	4.8	4.7	4.7	4.6
Structural Fires	15	18	22	22	13
Commercial Fires	4	2	2	2	8
Other Fires	155	150	149	149	156
Medical aids	2,188	2,518	2,563	2,563	2,619
Traffic Collisions	308	279	302	302	347
Water					
New connections	593	83	79	79	125
Average daily consumption (gallons)	6,408,327	6,501,207	6,245,395	6,245,395	5,612,742
Wastewater					
Average daily sewage treatment (gallons)	2,932,761	2,975,268	2,858,196	2,858,196	2,568,663

** Data based on January - June 2018

Source: City of Coachella

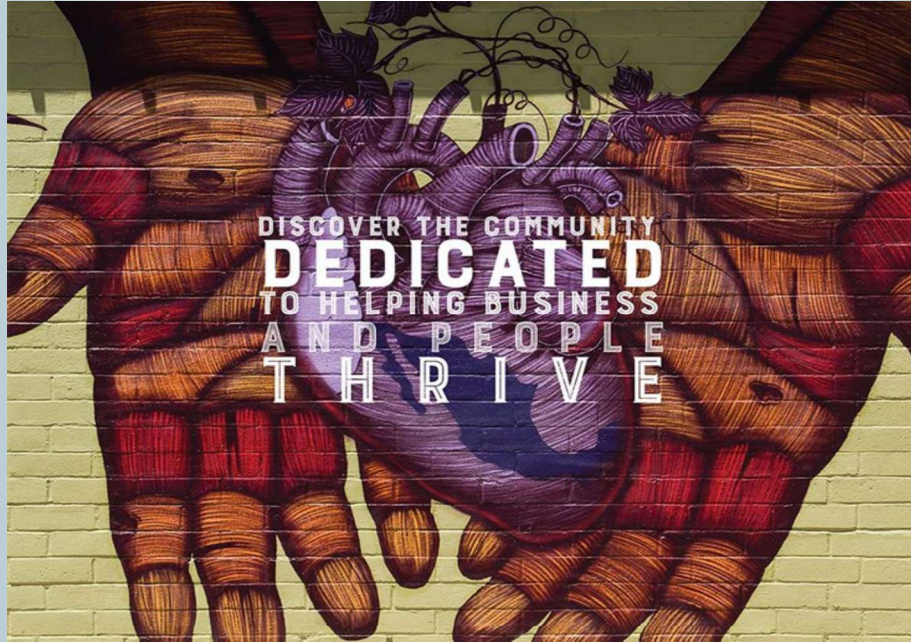


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CITY OF COACHELLA, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2025



53990 ENTERPRISE WAY, COACHELLA CA 92236