

# 2017/18 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018



*La Quinta*

— GEM of the DESERT —

CITY OF LA QUINTA LA QUINTA, CALIFORNIA



**CITY OF LA QUINTA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2018**



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

**Prepared by the Finance Department**



**CITY OF LA QUINTA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2018**

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December 27, 2018

To the Citizens of La Quinta, the Honorable Mayor and Members of the City Council:

Submitted herein is the City of La Quinta Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2018. The CAFR presents information regarding the City's financial activities. This transmittal letter provides a non-technical summary of the City's finances, services, achievements, and economic outlook. A more detailed analytical analysis is presented in the Management's Discussion and Analysis section (MD&A) that immediately follows the independent auditors' report. The MD&A provides an overview and analysis of the basic financial statements and complements this transmittal.

Responsibility for the accuracy and the completeness of all disclosures rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of City operations. Supplementary disclosures are included to summarize the City's financial activities.

This CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP). The City's financial reporting is based upon all Governmental Accounting Standards Board (GASB) pronouncements.

Government Code Section 26909 (a) requires the City to contract with a certified public accountant to perform an annual audit of the City's accounts and records, and the audit must conform to generally accepted auditing standards. Further, Government Code Section 26909 (b) states that an audit report shall be filed with the State Controller and with the County Auditor within 12 months of the end of the fiscal year. In addition, City Ordinance 2.12.040 requires an annual audit be performed by a certified public accountant. This CAFR fulfills these requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this CAFR, based upon a comprehensive framework of internal controls that has been 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.

The independent auditors' report is located at the front of the financial section. Vavrinek, Trine, Day & Co., LLP Certified Public Accountants have issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2018. This is the most favorable conclusion. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and estimates made by management, and evaluating the overall financial statement presentation and conformity with GAAP.

### **Government Profile**

The City of La Quinta is located 120 miles east of Los Angeles in the eastern portion of Riverside County known as the Coachella Valley. The City was incorporated in 1982 as a general law City and became a charter city in November 1996. It is governed by a five-member City Council under the Council/Manager form of government. The Mayor is directly elected and serves a two-year term; the four Council Members serve four-year terms, with two Council Members elected every two years. The Mayor and Council Members are elected at large.

The Council appoints the City Manager, who in turn appoints the Directors of the various departments. The City provides a range of services, which include street and infrastructure construction and maintenance; community development and planning; construction and code compliance; recreational and cultural activities; and operations management.

The City contracts with other government agencies and private entities for specific services, including police and fire protection, library and museum services, water and sewer service, electricity service, public transit, refuse collection, and street sweeping.

The City is also financially accountable for legally separate public entities – the Successor Agency for the former Redevelopment Agency, the Financing Authority, and the Housing Authority. Additional information on these entities can be found in the notes to the financial statements.

Pursuant to City Ordinance 2.08.060 and 2.12.030, the City Manager and Finance Director are responsible for annual budget, which the City Council reviews and approves prior to the start of each fiscal year. The annual budget is the foundation for the City's financial planning and control.

The budget is prepared by fund, function, department, and line item. Department Directors may transfer line item resources within a division with the approval of the City Manager. The City Manager may authorize transfers between divisions and departments.

### **Local Economy**

The City of La Quinta comprises an area of approximately 36 square miles and, as of January 2018 has a full-time population of 41,204 according to California Department of Finance records. Nearly 18,000 seasonal residents also call La Quinta home from October through May each year.

According to the State of California Employment Development Department, as of October 2018, the seasonally unadjusted unemployment rate for La Quinta was 5%, which was higher than Riverside County's at 4.4% and the statewide average of 4%. The City's dominant industries are recreation, tourism and retailers with the following major employers: La Quinta Resort and Club, Desert Sands Unified School District, Wal-Mart Super Center, Costco, Home Depot, Imperial Irrigation District, Lowe's Home Improvement, Target, and Traditions Golf Club.

### **Long-term Financial Planning**

Sound financial governance continues to be management's focus. The City has a long history of providing superior service, life enrichment opportunities, and a quality environment to its residents, businesses, and visitors. In June 2018 the City Council adopted a conservative budget for fiscal year 2018/19 based on current economic conditions. The adopted budget had operating revenues exceeding expenses by \$65,751.

Included in the 2018/19 budget \$12.3 million of capital improvements with 49% of these funds coming from the General Fund. Improvements include parkway landscape turf conversion north of Highway 111, drainage improvements, and road and sidewalk improvements to decrease vehicle congestion and improve walkability.

La Quinta has cultivated a sound foundation of General Fund revenues including sales tax, transient occupancy (hotel) tax, and property tax. The City was incorporated in 1982 after Proposition 13 was approved (the landmark property tax reform initiative enacted in 1978); as such, the City receives a smaller share of property tax revenue and must rely heavily on sales tax and transient occupancy (hotel) tax revenue for General Fund income.

## **The Future**

The luxury Montage and lifestyle Pendry hotels are scheduled to break ground in early 2019. The development is adjacent to the SilverRock Golf Resort and includes a spa, conference center, lifestyle branded residential, resort and mixed-use villages, and a golf clubhouse. In 2019, the City will construct a 14-acre passive community park adjacent to this development. The park will feature rolling hills, water features, meandering walkways, and breathtaking views of the Santa Rosa Mountains.

The Highway 111 business corridor accounts for nearly 70% of the City's annual sales tax revenue. A visionary assessment of the corridor was completed in the spring of 2018 and identified design and aesthetic opportunities to promote business visibility and access, impacts of emerging technology, evaluated mixed use development, and future land-use and development strategies. In 2019, the City will craft a corridor area plan to guide future improvements and developments.

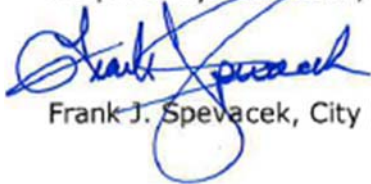
## **Awards and Acknowledgements**

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 for its CAFR for the fiscal year ended June 30, 2017. This was the twenty-first consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR.

A Certificate of Achievement is valid for one year. We believe that our current CAFR 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.

We extend our deepest gratitude to all Finance Department staff for their skill, effort, and dedication in completing the CAFR. Credit is also due to the Mayor and City Council for their support in maintaining high standards when managing the City's finances.

Respectfully submitted,



Frank J. Spevacek, City Manager



Karla Campos, Finance Director

# **City of La Quinta**

## **List of Principal Officers**

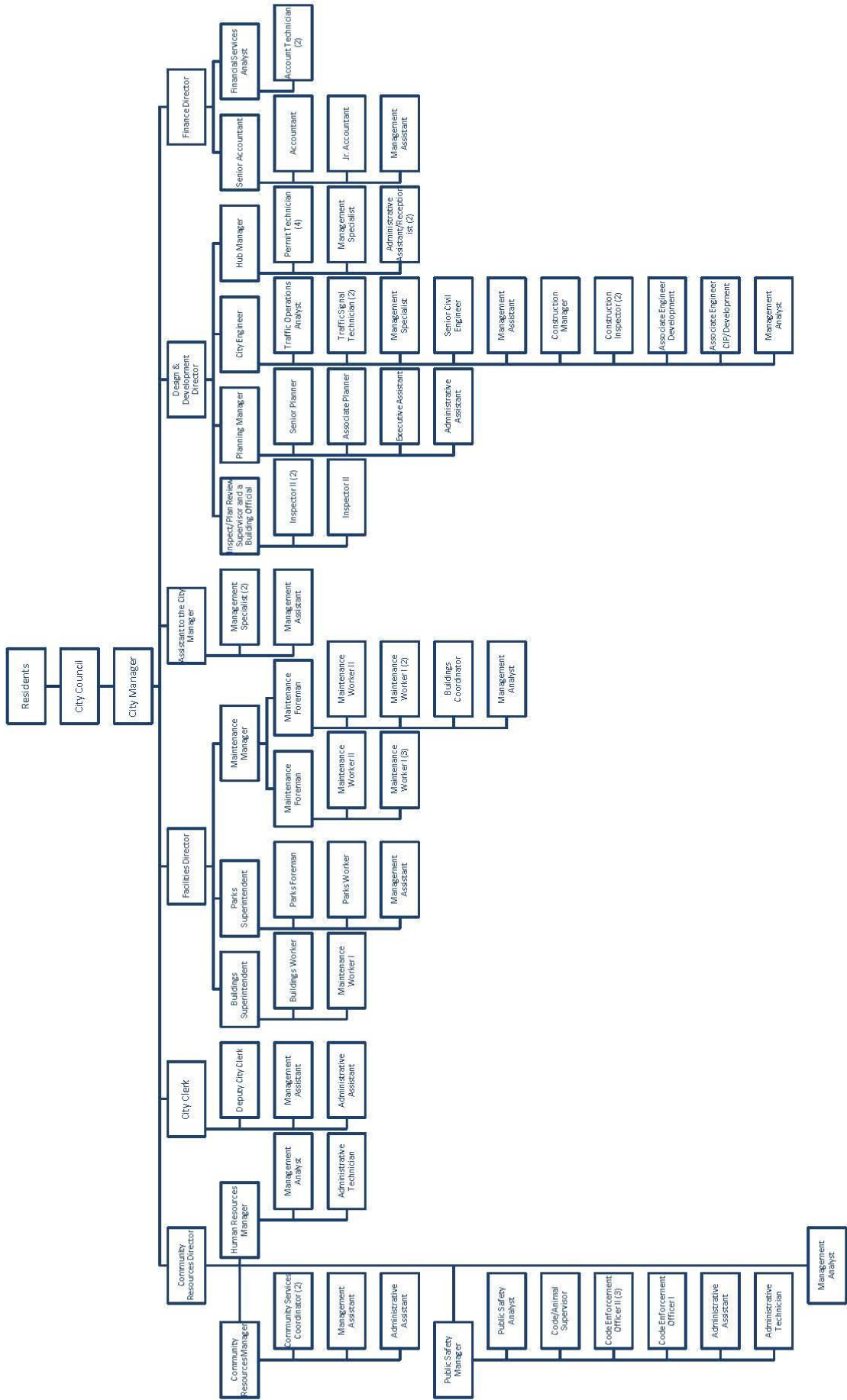
**June 30, 2018**

### **CITY COUNCIL**

Linda Evans, Mayor  
Kathleen Fitzpatrick, Mayor Pro Tem  
John Peña, Council Member  
Robert Radi, Council Member  
Steve Sanchez, Council Member

### **ADMINISTRATION**

Frank J. Spevacek, City Manager  
Karla Campos, Finance Director/ City Treasurer  
Christopher Escobedo, Community Resources Director  
Steve Howlett, Facilities Director  
Danny Castro, Design and Development Director/ City Engineer  
Monika Radeva, City Clerk  
William H. Ihrke, City Attorney







Government Finance Officers Association

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

Presented to

**City of La Quinta  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City Council  
City of La Quinta, California

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Quinta, California, (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective July 1, 2017. This resulted in a restatement of beginning net position as disclosed in note 18 to the financial statements. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, schedule of the City's proportionate share of the net pension liability on page 77, schedule of plan contributions on page 78, schedule of changes in the total OPEB liability and related ratios on page 79, budgetary comparison schedules for the General Fund on page 75 and Housing Authority special revenue fund on page 76 and the related notes on page 80, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Riverside, California  
December 27, 2018

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## Management's Discussion and Analysis

This narrative provides an overview and analysis of the City of La Quinta's (City) financial activities for the fiscal year ending June 30, 2018. The City Executive Team encourages readers to consider this information in conjunction with the data provided in our transmittal letter, which is in an earlier section of this report. All amounts, unless otherwise indicated, are rounded to the nearest thousands of dollars and dates are represented by fiscal year.

### Highlights

At the close of 2017/18 (June 30, 2018):

- Primary government assets exceeded its liabilities by \$719,452,000 (*net position*). Of this amount, \$125,747,000 (*unrestricted net position*) may be used to meet ongoing obligations and approximately \$554,499,000 or 77% was invested in capital assets and is not available to meet ongoing obligations.
- Governmental activities total net position increased by \$7,400,000 and the Business-Type total net position decreased by \$313,000 which is attributable to the SilverRock Golf Course.
- Governmental funds (General Fund, Housing Authority, Capital Improvement Fund, Civic Center Fund, nineteen (19) Special Revenue Funds, and the Finance Authority Fund) had a combined ending fund balance of \$149,681,000, an increase of \$14,807,000. The primary reasons for this increase are an extraordinary gain of \$3,624,000 derived from the Redevelopment loan repayment; \$3,707,000 increase in assigned sales tax derived from Measure G; and a \$2,250,000 increase in the unassigned fund balance due to expenditure savings and overall revenues (inclusive of the extraordinary gain) were 13% higher than budgeted.
- The unassigned General Fund balance comprised \$19,200,000, or 16%, of the total \$121,824,000 balance and represented 34% of total final General Fund budgeted expenditures including transfers.
- Total governmental activities debt decreased by \$3,518,000 from \$6,784,000 to \$3,266,000. This was primarily due to a second loan installment payment (\$1,125,000) for the Eisenhower Drive retention basin land purchased for drainage improvements and the transfer of the Housing Authority Provident and United States Department of Agriculture loans to Coachella Valley Housing Coalition (\$1,909,000). (Note 5)

### Overview

This discussion and analysis introduces the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## Government-wide financial statements

The *government-wide financial statements* provide a broad overview of the City's finances. There are two statements – *statement of net position* and *statement of activities*, as described below.

The *statement of net position* presents information on all City 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 of whether the City's financial position is improving or deteriorating.

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

Both of these government-wide financial statements distinguish City functions, which are principally supported by taxes, fees, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user charges (business-type activities). Governmental activities include general government, public safety, community services, community development and public works; business-type activities include the SilverRock Golf course operations.

The government-wide financial statements include not only the City of La Quinta (known as the primary government), but also the La Quinta Financing Authority and the La Quinta Housing Authority. Although legally separate entities, they function for all practical purposes as City departments.

The government-wide financial statements are listed in the table of contents under the Financial Section of this report.

## Fund financial statements

A fund is a grouping of related accounts and 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 compliance with finance-related legal requirements. All of the City's funds are aggregated 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 a government's near-term financing requirements.

Because the focus is narrower than the government-wide financial statements, it is useful to compare this information 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 government'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 maintains twenty-three (23) individual governmental funds, which are distinguished between major and non-major 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. There are four (4) major governmental funds: the General Fund, two (2) capital project funds, and one special revenue fund. Data from the other nineteen (19) governmental 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 under Other Governmental Funds.

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

The basic governmental fund financial statements can be found in the table of contents under the heading Basic Financial Statements.

## Proprietary funds

Proprietary funds are broken down into enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains one (1) enterprise fund to account for the SilverRock Golf Course operations, which is considered to be a major fund.

Internal service funds are used to allocate costs among the City's various functions. The City has four (4) internal service funds: equipment replacement, information technology systems, park equipment and facilities, and insurance. Because these four (4) services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial

statements. Individual fund data for the internal service funds is provided in the form of combining statements on the Combining and Individual Fund Statements.

The basic proprietary fund financial statements are listed in the table of contents under Proprietary Funds: Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position, and Statement of Cash Flows.

### Fiduciary funds

Fiduciary funds, also called agency 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 statements 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.

The City reports on two fiduciary funds: 1) Successor Agency Trust which provides for activities associated with the dissolution of the former Redevelopment Agency, and 2) Defined Contribution Pension Trust established to provide retirement benefits.

The basic fiduciary fund financial statements are listed in the table of contents under Fiduciary Funds: Statement of Net Position – Fiduciary Funds and Changes in Net Position – Fiduciary Funds.

### Notes to the financial statements

The notes to the financial statements provide information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements. These notes are listed in the table of contents under Notes to Basic Financial Statements.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and agency funds. The non-major governmental funds' combining statements are presented immediately following the Required Supplementary Information while the combined statements for the internal service funds and agency funds are presented following the budgetary comparison schedules for the debt service funds.

## **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, assets exceeded liabilities by \$719,452,000 at the close of the 2017/18, which is \$6,766,000 more than the previous year. This increase is primarily attributed to an increase of unrestricted net position for governmental activities.

The largest portion of the City's Net Position (\$554,499,000 or 77% for 2017/18 and \$560,876,000 or 79% for 2016/17) reflects investment in capital assets (e.g., land, buildings; machinery, and equipment), net of related debt. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. However, it should be noted that the resources needed to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate debt.

### City of La Quinta Net Position

	Governmental Activities			Business-Type Activities			Total by Fiscal Year		
	2017	2018	% Change	2017	2018	% Change	2017	2018	% Change
Current and other assets	182,401,166	197,620,032	0.083	(4,794,773)	(4,845,320)	0.011	177,606,393	192,774,712	0.085
Capital assets	521,084,650	510,913,594	(0.020)	43,836,868	43,585,880	(0.006)	564,921,518	554,499,474	(0.018)
<b>Total Assets</b>	<b>703,485,816</b>	<b>708,533,626</b>	<b>0.007</b>	<b>39,042,095</b>	<b>38,740,560</b>	<b>(0.008)</b>	<b>742,527,911</b>	<b>747,274,186</b>	<b>0.006</b>
Deferred outflows of resources	3,023,443	5,190,412	0.717	-	-	-	3,023,443	5,190,412	0.717
Current liabilities	13,610,469	14,789,716	0.087	346,193	357,892	0.034	13,956,662	15,147,608	0.085
Non-current liabilities	18,534,952	17,259,349	(0.069)	-	-	-	18,534,952	17,259,349	(0.069)
<b>Total Liabilities</b>	<b>32,145,421</b>	<b>32,049,065</b>	<b>(0.003)</b>	<b>346,193</b>	<b>357,892</b>	<b>0.034</b>	<b>32,491,614</b>	<b>32,406,957</b>	<b>(0.003)</b>
Deferred inflows of resources	374,366	605,946	0.619	-	-	-	374,366	605,946	0.619
<b>Net Position:</b>									
Net investment in capital assets	517,039,487	510,913,594	(0.012)	43,836,868	43,585,880	(0.006)	560,876,355	554,499,474	(0.011)
Restricted	38,824,860	39,263,604	0.011	-	-	-	38,824,860	39,263,604	0.011
Unrestricted	118,125,125	130,891,829	0.108	(5,140,966)	(5,203,212)	0.012	112,984,159	125,688,617	0.112
<b>Total Net Position</b>	<b>673,989,472</b>	<b>681,069,027</b>	<b>0.011</b>	<b>38,695,902</b>	<b>38,382,668</b>	<b>(0.008)</b>	<b>712,685,374</b>	<b>719,451,695</b>	<b>0.009</b>

An additional portion of the City's net position (\$39,264,000 or 5% in 2018 and \$38,825,000 or 5% in 2017) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted Net Position \$125,689,000 (17%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2017/18, the City has positive balances in all three categories of Net Position, both for the government as a whole, as well as for its separate governmental activities; however, the business type Unrestricted Net Position had a deficit in its net position of \$5,203,000, which is approximately \$62,000 more than 2016/17. SilverRock's negative unrestricted net position reflects the outstanding \$5.4 million advance from the General Fund which is decreased by cash, deposits and receivables on hand to meet current obligations.

#### Governmental activities

Governmental activities Net Position increased by \$7,400,000 accounting for a 1% percent change in the Net Position from the previous year. Key elements of these changes are as follows:

## City of La Quinta Changes in Net Position

	Governmental Activities			Business-Type Activities			Total by Fiscal Year		
	2017	2018	Change	2017	2018	Change	2017	2018	Change
<b>PROGRAM REVENUES:</b>									
Charges for Services	\$ 2,604,623	\$ 3,473,058	\$ 868,435	\$ 3,446,340	\$ 3,567,718	\$ 121,378	\$ 6,050,963	\$ 7,040,776	\$ 989,813
Operating Grants and Contributions	6,187,803	4,259,916	(1,927,887)	-	-	-	6,187,803	4,259,916	(1,927,887)
Capital Gains and Contributions	3,316,153	4,455,060	1,138,907	-	-	-	3,316,153	4,455,060	1,138,907
<b>GENERAL REVENUES &amp; TRANSFERS</b>									
Property Taxes	15,521,335	15,887,015	365,680	-	-	-	15,521,335	15,887,015	365,680
Other Taxes	22,260,550	32,750,611	10,490,061	-	-	-	22,260,550	32,750,611	10,490,061
Investment Income	442,710	803,654	360,944	2,028	3,511	1,483	444,738	807,165	362,427
Motor Vehicle In Lieu	3,813,213	3,941,348	128,135	-	-	-	3,813,213	3,941,348	128,135
Miscellaneous	460,614	649,566	188,952	-	-	-	460,614	649,566	188,952
<b>TOTAL REVENUES</b>	<b>54,607,001</b>	<b>66,220,228</b>	<b>11,613,227</b>	<b>3,448,368</b>	<b>3,571,229</b>	<b>122,861</b>	<b>58,055,369</b>	<b>69,791,457</b>	<b>11,736,088</b>
<b>EXPENSES:</b>									
General Government	5,565,727	8,869,174	3,303,447	-	-	-	5,565,727	8,869,174	3,303,447
Public Safety	23,378,824	22,508,088	(870,736)	-	-	-	23,378,824	22,508,088	(870,736)
Planning & Development	2,882,321	4,352,134	1,469,813	-	-	-	2,882,321	4,352,134	1,469,813
Community Services	6,584,268	9,231,268	2,647,000	-	-	-	6,584,268	9,231,268	2,647,000
Public Works	10,927,160	15,580,975	4,653,815	-	-	-	10,927,160	15,580,975	4,653,815
Interest on Long-Term Debt	309,463	1,468,971	1,159,508	-	-	-	309,463	1,468,971	1,159,508
Golf Course	-	-	-	3,965,644	4,318,463	352,819	3,965,644	4,318,463	352,819
<b>TOTAL EXPENSES</b>	<b>49,647,763</b>	<b>62,010,610</b>	<b>12,362,847</b>	<b>3,965,644</b>	<b>4,318,463</b>	<b>352,819</b>	<b>53,613,407</b>	<b>66,329,073</b>	<b>12,715,666</b>
<b>TRANSFERS &amp; EXTRAORDINARY ITEMS:</b>									
Extraordinary Gain on Dissolution of RDA	7,344,050	3,624,121	(3,719,929)	-	-	-	7,344,050	3,624,121	(3,719,929)
Transfers	(401,300)	(434,000)	(32,700)	401,300	434,000	32,700	-	-	-
Increase in Net Position	11,901,988	7,399,739	(4,502,249)	(115,976)	(313,234)	(197,258)	11,786,012	7,086,505	(4,699,507)
Net Position - Beginning	662,087,484	673,669,288	11,581,804	38,811,878	38,695,902	(115,976)	700,899,362	712,365,190	11,465,828
<b>NET POSITION - ENDING</b>	<b>\$ 673,989,472</b>	<b>\$ 681,069,027</b>	<b>\$ 7,079,555</b>	<b>\$ 38,695,902</b>	<b>\$ 38,382,668</b>	<b>\$ (313,234)</b>	<b>\$ 712,685,374</b>	<b>\$ 719,451,695</b>	<b>\$ 6,766,321</b>

- Revenues overall increased by \$11,736,000 with the largest increase (\$10,490,000) being Other Taxes which includes Measure G transaction and use sales tax. Additional increases include property taxes - \$366,000, investment income - \$361,000, miscellaneous revenue - \$189,000, and motor vehicle in lieu revenue - \$128,000. These increases were offset by decreases totaling \$1,928,000 for operating grants. Grant revenues will be recognized in 2018/19 as projects are completed.
- Expenses for Governmental Activities increased by \$12,363,000 (a 25% increase when compared to 2016/17). Increases were realized in each expense category with the exception of public safety. As noted earlier Governmental Activities include 23 individual governmental funds and include capital asset activity allocated on a percentage basis by department. Additional information on capital asset activity distribution can be found on Note 4.

- Of this increase, one-time expenses included: establishing the Other Post-Employment Benefit Trust account (\$1,523,000) and a \$10,202,000 fixed asset disposal expense related to the transfer of ownership for Washington Street Apartments.
- The General Fund contributed \$434,000 to the business-type activities of the golf course. Funds were utilized to support operations per the adopted budget.

### Business-type activities

This was the thirteenth full year of operations for the SilverRock Golf fund since the golf course opened in 2005.

Charges for services primarily consisted of green fees which totaled \$3,568,000, \$121,000 greater than the previous year, with golf course expenses of \$4,318,000, which were \$353,000 or 9% more than the previous year. After transfers in, the net position decreased by \$313,000.

Expenditure increases included a \$126,000 increase in management services, an increase of \$77,651 in rental payments, and increased expenses related to the purchase of merchandise for sale.

In 2017/18, the General Fund transferred \$434,000 to the SilverRock Golf fund to support operations.

The total outstanding advance due to the General Fund from the inception of the Golf Course opening to June 30, 2018 is \$5,469,000.

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

As noted earlier, the City 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. 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.

As of the end of 2017/18, the City's governmental funds reported combined ending fund balances of \$149,681,000 as follows:

## City of La Quinta Governmental Fund Balances

Category	General Fund	Percent	All Other Funds	Percent	Total Funds	Percent
Nonspendable	\$ 52,976,449	44%	\$ -	0%	\$ 52,976,449	36%
Restricted	-	0%	39,263,604	141%	39,263,604	26%
Committed	29,726,500	24%	-	0%	29,726,500	20%
Assigned	19,921,112	16%	-	0%	19,921,112	13%
Unassigned	19,199,506	16%	(11,405,877)	-41%	7,793,629	5%
<b>TOTAL</b>	<b>\$ 121,823,567</b>	<b>100%</b>	<b>\$ 27,857,727</b>	<b>100%</b>	<b>\$ 149,681,294</b>	<b>100%</b>

Governmental fund balances ended the year totaling \$149,681,000, an increase of \$14,806,000 in comparison with the prior years' ending balance of \$134,875,000. These collective fund balances include the General Fund, Housing Authority, Financing Authority, Capital Improvement Fund, Civic Center Fund, and various Special Revenue funds.

### *Nonspendable*

Nonspendable reserves are \$52,976,000 or 36%; these reserves are not available to fund operating expenditures because they are in the form of land and receivables.

### *Restricted*

\$39,264,000 (26%) are restricted fund balances, which are the result of external limitations on spending. The Restricted funds such as Measure A, which can only be used for transportation; Gas Tax Fund, restricted for street related purposes; or Housing Funds, restricted for housing activities to preserve and produce affordable housing.

### *Committed*

\$29,727,000 (20%) are committed fund balances which are the result of self-imposed limitations established by the City Council. The City adopted a new Reserve Policy in May 2018 which established three additional General Fund committed reserve categories including: Economic Disaster Reserve, Capital Replacement Reserve, and a Pension Trust Reserve. The Post-Retirement Health Benefits Trust was established in 2017/18 with \$1,523,000, which removed this 2016/17 committed reserve category.

### *Assigned*

Assigned funds are constrained by the City's intent to use them for specific purposes and represent a total of \$19,921,000 (13%) of the total fund balance. \$4,997,000 represents funds for approved Capital Projects carryovers for multi-year projects. Available Measure G sales tax revenue ended the year at \$5,170,000. \$9,754,000 represents funds held in trust with the County of Riverside for fire services.

### *Unassigned*

The remaining fund balance or \$7,794,000 represents unassigned fund balances or the residual net resources after taking into consideration the other classifications. The Civic Center fund accounted for \$7.1 million of the \$11.3 million negative

unassigned balance in all other funds. This amount represents an advance due to the General Fund and is included in the General Fund nonspendable fund balance.

### General Fund

The General Fund is the City's chief operating fund. At the end of the 2017/18, the unassigned fund balance was \$19,200,000 while total fund balance was \$121,824,000.

The General Fund balance increased by \$14,361,000 in 2017/18. Key factors were:

- The change in non-spendable reserves was primarily due to the Last and Final Recognized Obligation Payment Schedule (ROPS) approved by the Department of Finance in November 2017, which resulted in an interest rate increase from 3% to 4% since the inception of the Redevelopment Agency loan. The due from other governments (\$29,612,000) represents the principal (\$20,693,000) and interest (\$8,919,000) owed to the General Fund (80% of loan repayments).
- Committed reserves increased by \$7.4 million due to: a.) an increase in cash flow reserve of \$866,000 (previously working capital reserve), b.) the establishment of a new capital replacement reserve with initial funding of \$5 million (\$1 million from former Emergency Reserves), and c.) an increase in carryovers of \$2 million. In addition, a Post-Retirement Health Benefit Trust was established and funded with \$1,523,000 and a new commitment of \$2 million was made to establish a Pension Trust during 2018/19. New commitments were funded with unassigned reserves.
- An increase of \$4.2 million in assigned reserves was primarily due to Measure G sales tax revenue (\$3,707,000) and fire services trust (\$383,000).
- Assigned to public safety represents property tax accumulated and held in trust by the County of Riverside for fire protection, disaster preparedness and response, fire prevention, rescue, hazardous materials mitigation, technical rescue response, medical emergency services, and public service assists (the County and City negotiated an agreement wherein the County fire service property tax revenue generated in the two former City redevelopment project areas is pledged to the City to fund the aforementioned services). This portion of assigned fund balance as of June 30, 2018 is \$9,754,000.
- Additional revenue, expenditures savings, and the RDA loan repayment for 17/18 (\$2,442,000) are reflected in the increase of \$2.3 million to unassigned reserves. This increase was offset by additional funding to committed reserves as outlined above.
- The General Fund revenues overall were \$6,885,000 or 13% higher than budgeted. The increased revenue is attributable to higher collection of property, sales, and hotel taxes. Combined taxes collected were \$2.8 million over budget. In addition, the extraordinary gain (RDA loan repayment and interest earned) of \$2.9 million was not budgeted; these funds are recognized in unassigned reserves and reduce nonspendable reserves each year. Miscellaneous revenue included two TOT mitigation measure payments from Legacy Villas (\$173,000 for 2016/17 received in 2017/18).

- An extraordinary gain of \$2,899,000 is attributed to the Department of Finance's approved increase in the quarterly interest rate on the City General Fund loan repayment (from 3% to 4%, since the inception of the loan in November 2006) and the \$2,442,000 principal loan repayment in 2017/18. 80% of the extraordinary gain is recognized in the General Fund and 20% in the Housing Authority Fund.
- Actual expenditures were \$12,232,000 less than the final budget, but \$3,552,000 higher than 2016/17 expenditures. Expenditure savings of \$7,183,000 were carried over into 2018/19 for continuing appropriations related to operations and Capital Improvement Projects (CIP).

### Housing Authority Fund

The Housing Authority Fund is used to account for the activities of the Housing Authority; the Housing Authority invests in programs and projects that preserve and increase the supply of affordable housing in the City. The fund balance decreased by \$40,000 to end the year at \$21,690,000.

The decrease is largely attributed to the following:

- An extraordinary gain of \$725,000 attributed to the Department of Finance's approved increase in the quarterly interest rate on the City General Fund loan repayment (from 3% to 4%, since the inception of the loan in November 2006) and \$610,000 principal loan repayment received in 2017/18.
- These gains were offset by one-time decreases in revenue and an increase of expenditures both related to the disposition of Washington Street Apartments, which remained affordable housing units, with ownership transferred to the Coachella Valley Housing Coalition.

### Capital Improvement Fund

The Capital Improvement Fund is primarily used to record the expenditures for capital projects. The fund had forty two (42) active Capital Improvement Projects budgeted during 2017/18. The five most active projects were:

- Citywide drainage improvements (\$1,443,000)
- Pavement Management Plan street improvements (\$1,091,000)
- Madison Street median landscape improvements (\$909,000)
- Eisenhower Drive at Montezuma Roundabout (\$650,000)
- North La Quinta landscape renovations (\$641,000)



## Civic Center Fund

The Civic Center fund is primarily used to collect developer impact fees for the 2004 City Hall expansion and to fund a portion of the debt service on the original City Hall construction. The City Hall expansion was completed in 2007/08 and the final repayment of the original City Hall construction bonds is scheduled in 2018/19. A \$7.1 million advance from the General Fund is outstanding at the end of 2017/18.

## **Proprietary funds**

The City of La Quinta's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The financial activities of the City enterprise fund are addressed in the discussion of the City's business-type activities. In addition, the City has four (4) internal service funds to accumulate resources for equipment and vehicle replacement, information technology, insurance, and park equipment and facility replacement.

## **General Fund Budgetary Highlights**

Revenue appropriations and transfers in increased by \$3,811,000 between the original (\$48,552,000) and final amended budget (\$52,363,000). The main component of the increase was due to Measure G sales tax revenue which increased by \$3,900,000.

Expenditure appropriations and transfers out increased by \$8,938,000 between the original (\$48,181,000) and final amended budget (\$57,119,000). Following are the primary changes:

- \$4,860,000 in carryover appropriations from prior fiscal years to 2017/18 to fund capital improvement projects as approved by City Council
- \$1,523,400 added for the establishment of a Post-Retirement Health Benefits Trust using previously committed General Fund reserves
- \$2,000,000 added from unassigned reserves intended for land acquisition and building improvements, which is being carried over to 2018/19.

## Capital Asset and Debt Administration

### Capital assets

The City's capital assets for its governmental and business-type activities as of June 30, 2018, were \$554,499,000 (net of accumulated depreciation). This includes land, right of way, buildings and improvements, machinery and equipment, streets and bridges, and construction in progress. The investment in capital assets decreased by \$10,422,000 in 2017/18 primarily due to the disposition of Washington Street Apartments and depreciation expense.

The following chart lists the asset categories for governmental and business like activities net of depreciation:

### **City of La Quinta Capital Assets (net of depreciation)**

Description	Governmental Activities		Business-Type Activities		Total By Fiscal Year	
	2017	2018	2017	2018	2017	2018
Land	74,316,674	66,594,534	39,712,955	39,712,955	114,029,629	106,307,489
Buildings & Improvements	44,119,422	40,659,592	3,771,368	3,556,822	47,890,790	44,216,414
Equipment & Furniture	1,028,468	1,012,039	352,545	316,102	1,381,013	1,328,141
Vehicles	572,048	1,000,246	-	-	572,048	1,000,246
Software	-	-	-	-	-	-
Infrastructure	391,078,543	387,495,409	-	-	391,078,543	387,495,409
Construction in Progress	9,969,495	14,151,774	-	-	9,969,495	14,151,774
<b>TOTAL</b>	<b>521,084,650</b>	<b>510,913,594</b>	<b>43,836,868</b>	<b>43,585,879</b>	<b>564,921,518</b>	<b>554,499,473</b>

Major capital asset events included under Governmental Activities included the following:

- Recording infrastructure improvements, street improvements, street right of way, street sidewalks and curbs and gutters, traffic signals, and street medians
- Washington Street Apartments transfer of ownership \$10,202,000

### **Business-type activities**

The Golf Course capital asset balance at June 30, 2018, was \$43,586,000, net of accumulated depreciation. The balance decreased by \$251,000 reflects accumulated depreciation expensed in 2017/18.

Additional information on the City of La Quinta's capital assets can be found in Note 4 to the financial statements.

## Long-term debt

At the end of 2017/18, the City governmental funds had total outstanding debt of \$3,266,000. Of the total amount, \$650,000 represents the outstanding principal for the 1996 Lease Revenue Bonds (Civic Center construction and improvements), and a \$1,125,000 loan balance for the Eisenhower Drive retention basin land acquisition (which will be retired in 2018/19).

### City of La Quinta Outstanding Debt

Governmental Activities		
Debt Type:	2017	2018
Capital Leases	\$ 530,163	\$ 667,035
Compensated Absences	830,430	823,842
Land Acquisition Note Payable	2,250,000	1,125,000
Loans Payable	1,908,669	-
Revenue Bonds	1,265,000	650,000
<b>TOTAL</b>	<b>\$ 6,784,262</b>	<b>\$ 3,265,877</b>

The total outstanding debt decreased by \$3,518,000 during 2017/18, due to a second installment payment of \$1,125,000 for land acquisition (Eisenhower Drive retention basin), lease revenue bond principal payment of \$615,000, and a decrease of \$1,909,000 is for Washington Street Apartments long-term debt transferred to the Coachella Valley Housing Coalition as part of the property disposition.

Additional information on long-term debt can be found in Note 5 of the financial statements.

## Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning this information or requests for additional information should be addressed to the City of La Quinta, Karla Campos, Finance Director, 78-495 Calle Tampico, La Quinta, CA, 92253, by telephone at 760-777-7703, or by email at [kcampos@laquintaca.gov](mailto:kcampos@laquintaca.gov).

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CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF NET POSITION  
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 112,387,200	\$ 242,814	\$ 112,630,014
Receivables:			
Accounts	907,796	58,517	966,313
Taxes	2,829,015	-	2,829,015
Notes and loans	23,013,023	-	23,013,023
Accrued interest	3,969,350	1,212	3,970,562
Internal balances	5,468,718	(5,468,718)	-
Prepaid costs	733,789	-	733,789
Deposits	-	250,000	250,000
Due from other governments	39,991,141	-	39,991,141
Inventories	-	70,855	70,855
Land held for resale	8,320,000	-	8,320,000
Capital assets not being depreciated	366,233,651	39,712,955	405,946,606
Capital assets, net of depreciation	144,679,943	3,872,925	148,552,868
<b>Total Assets</b>	<b>708,533,626</b>	<b>38,740,560</b>	<b>747,274,186</b>
<b>Deferred Outflows of Resources:</b>			
Deferred amounts related to OPEB	1,523,400	-	1,523,400
Deferred amounts related to pensions	3,667,012	-	3,667,012
<b>Total Deferred Outflows of Resources</b>	<b>5,190,412</b>	<b>-</b>	<b>5,190,412</b>
<b>Liabilities:</b>			
Accounts payable	3,300,811	322,392	3,623,203
Accrued liabilities	190,873	-	190,873
Accrued interest	50,493	-	50,493
Unearned revenue	1,761,096	-	1,761,096
Deposits payable	7,835,467	35,500	7,870,967
Due to other governments	1,650,976	-	1,650,976
Noncurrent liabilities:			
Due within one year	1,894,097	-	1,894,097
Due in more than one year	1,371,780	-	1,371,780
Total OPEB liability	1,380,949	-	1,380,949
Net pension liability	12,612,523	-	12,612,523
<b>Total Liabilities</b>	<b>32,049,065</b>	<b>357,892</b>	<b>32,406,957</b>
<b>Deferred Inflows of Resources:</b>			
Deferred amounts related to pensions	605,946	-	605,946
<b>Net Position:</b>			
Net investment in capital assets	510,913,594	43,585,880	554,499,474
Restricted for:			
Planning and development projects	22,607,600	-	22,607,600
Public safety	401,557	-	401,557
Public works	2,033,627	-	2,033,627
Capital projects	4,204,168	-	4,204,168
Community services	10,016,652	-	10,016,652
Unrestricted	130,891,829	(5,203,212)	125,688,617
<b>Total Net Position</b>	<b>\$ 681,069,027</b>	<b>\$ 38,382,668</b>	<b>\$ 719,451,695</b>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Primary Government:</b>				
General government	\$ 8,869,174	\$ 883,153	\$ 986,125	\$ 187,282
Public safety	22,508,088	367,848	12,299	161,824
Planning and development	4,352,134	724,499	85,880	1,167,783
Community services	9,231,268	442,656	1,973,481	-
Public works	15,580,975	1,054,902	1,202,131	2,938,171
Interest on long-term debt	1,468,971	-	-	-
<b>Total Governmental Activities</b>	<b>62,010,610</b>	<b>3,473,058</b>	<b>4,259,916</b>	<b>4,455,060</b>
<b>Business-Type Activities:</b>				
Golf Course	4,318,463	3,567,718	-	-
<b>Total Primary Government</b>	<b>\$ 66,329,073</b>	<b>\$ 7,040,776</b>	<b>\$ 4,259,916</b>	<b>\$ 4,455,060</b>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Other taxes

Motor vehicle in lieu - unrestricted

Investment income

Other

Extraordinary Item

Transfers

Total General Revenues, Extraordinary Items and Transfers

Change in Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

See accompanying notes to basic financial statements.

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (6,812,614)	\$ -	\$ (6,812,614)
(21,966,117)	-	(21,966,117)
(2,373,972)	-	(2,373,972)
(6,815,131)	-	(6,815,131)
(10,385,771)	-	(10,385,771)
(1,468,971)	-	(1,468,971)
<b>(49,822,576)</b>	<b>-</b>	<b>(49,822,576)</b>
-	(750,745)	(750,745)
<b>\$ (49,822,576)</b>	<b>\$ (750,745)</b>	<b>\$ (50,573,321)</b>
15,887,015	-	15,887,015
10,752,788	-	10,752,788
18,956,985	-	18,956,985
1,977,179	-	1,977,179
345,187	-	345,187
718,472	-	718,472
3,941,348	-	3,941,348
803,654	3,511	807,165
649,566	-	649,566
3,624,121	-	3,624,121
(434,000)	434,000	-
57,222,315	437,511	57,659,826
7,399,739	(313,234)	7,086,505
673,669,288	38,695,902	712,365,190
<b>\$ 681,069,027</b>	<b>\$ 38,382,668</b>	<b>\$ 719,451,695</b>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	Special Revenue Funds		Capital Projects Funds	
	General	Housing Authority	Capital Improvement	Civic Center
<b>Assets:</b>				
Pooled cash and investments	\$ 74,640,227	\$ 12,080,017	\$ 1,448,073	\$ -
Receivables:				
Accounts	707,510	155,486	44,800	-
Taxes	2,684,368	-	-	-
Notes and loans	-	23,013,023	-	-
Accrued interest	147,881	3,758,290	-	-
Prepaid costs	90,657	-	-	-
Due from other governments	31,169,018	7,402,927	448,702	-
Due from other funds	364,115	-	-	-
Advances to other funds	14,954,085	-	-	-
Land held for resale	8,320,000	-	-	-
<b>Total Assets</b>	<b>\$ 133,077,861</b>	<b>\$ 46,409,743</b>	<b>\$ 1,941,575</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,511,587	\$ 16,553	\$ 438,249	\$ -
Accrued liabilities	188,383	2,490	-	-
Unearned revenues	39,101	-	1,721,995	-
Deposits payable	7,812,959	22,508	-	-
Due to other governments	78,419	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	7,103,053
<b>Total Liabilities</b>	<b>10,630,449</b>	<b>41,551</b>	<b>2,160,244</b>	<b>7,103,053</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	623,845	24,678,005	128,893	-
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	90,657	-	-	-
Land held for resale	8,320,000	-	-	-
Advances to other funds	14,954,085	-	-	-
Due from other governments	29,611,707	-	-	-
<b>Restricted for:</b>				
Planning and development projects	-	21,690,187	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
<b>Committed to:</b>				
Natural Disaster Reserve	7,400,000	-	-	-
Economic Disaster Reserve	8,140,000	-	-	-
Cash Flow Reserve	5,000,000	-	-	-
Capital Replacement Reserve	5,000,000	-	-	-
Pension Trust	2,000,000	-	-	-
Carryovers	2,186,500	-	-	-
<b>Assigned for:</b>				
Public safety (Note 13b)	9,754,327	-	-	-
Sales Tax Reserve	5,169,970	-	-	-
Capital projects (Note 13b)	4,996,815	-	-	-
<b>Unassigned</b>	<b>19,199,506</b>	<b>-</b>	<b>(347,562)</b>	<b>(7,103,053)</b>
<b>Total Fund Balance</b>	<b>121,823,567</b>	<b>21,690,187</b>	<b>(347,562)</b>	<b>(7,103,053)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 133,077,861</b>	<b>\$ 46,409,743</b>	<b>\$ 1,941,575</b>	<b>\$ -</b>

See accompanying notes to basic financial statements.



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<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 17,506,092	\$ 105,674,409
-	907,796
144,647	2,829,015
-	23,013,023
45,121	3,951,292
-	90,657
970,494	39,991,141
-	364,115
-	14,954,085
-	8,320,000
<b><u>\$ 18,666,354</u></b>	<b><u>\$ 200,095,533</u></b>

\$ 213,216	\$ 3,179,605
-	190,873
-	1,761,096
-	7,835,467
1,572,557	1,650,976
6,057	6,057
<u>2,382,315</u>	<u>9,485,368</u>
<b><u>4,174,145</u></b>	<b><u>24,109,442</u></b>

<u>874,054</u>	<u>26,304,797</u>
----------------	-------------------

-	90,657
-	8,320,000
-	14,954,085
-	29,611,707
917,413	22,607,600
401,557	401,557
10,016,652	10,016,652
2,033,627	2,033,627
4,204,168	4,204,168
-	7,400,000
-	8,140,000
-	5,000,000
-	5,000,000
-	2,000,000
-	2,186,500
-	9,754,327
-	5,169,970
-	4,996,815
<u>(3,955,262)</u>	<u>7,793,629</u>
<b><u>13,618,155</u></b>	<b><u>149,681,294</u></b>
<b><u>\$ 18,666,354</u></b>	<b><u>\$ 200,095,533</u></b>

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**CITY OF LA QUINTA, CALIFORNIA**

**GOVERNMENTAL FUNDS  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

---

Fund Balances of Governmental Funds		\$	149,681,294
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of accumulated depreciation have not been included as current financial resources in governmental fund activity			495,932,742
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds			
Bonds payable	\$	(650,000)	
Capital lease payable		(23,300)	
Loans payable		(1,125,000)	
Compensated absences		(823,842)	
Net pension liability		(12,612,523)	
Total OPEB liability		<u>(1,380,949)</u>	(16,615,614)
Deferred outflows related to pensions			3,667,012
Deferred outflows related to OPEB			1,523,400
Deferred inflows related to pensions			(605,946)
Accrued interest payable has not been reported in the governmental funds			(50,493)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.			26,304,797
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities of the statement of net position			<u>21,231,835</u>
<b>Net Position of Governmental Activities</b>		<b>\$</b>	<b><u>681,069,027</u></b>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		Capital Projects Funds	
	General	Housing Authority	Capital Improvements	Civic Center
<b>Revenues:</b>				
Taxes	\$ 44,116,002	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Licenses and permits	1,394,820	-	-	-
Intergovernmental	7,467,753	304,474	730,412	-
Charges for services	1,279,864	-	-	-
Use of money and property	643,171	959,554	(9,486)	17
Fines and forfeitures	375,390	-	-	-
Developer participation	-	-	324,943	145,477
Miscellaneous	1,033,808	98,109	-	-
<b>Total Revenues</b>	<b>56,310,808</b>	<b>1,362,137</b>	<b>1,045,869</b>	<b>145,494</b>
<b>Expenditures:</b>				
Current:				
General government	7,733,978	-	-	-
Public safety	22,403,445	-	-	-
Planning and development	3,594,538	533,221	126,009	-
Community services	3,256,837	259,000	-	-
Public works	1,223,285	-	-	-
Capital outlay	850,408	-	7,390,754	-
Debt service:				
Principal retirement	-	51,988	-	-
Interest and fiscal charges	-	1,282,876	-	79,286
<b>Total Expenditures</b>	<b>39,062,491</b>	<b>2,127,085</b>	<b>7,516,763</b>	<b>79,286</b>
Excess (deficiency) of revenues over (under) expenditures	17,248,317	(764,948)	(6,470,894)	66,208
<b>Other Financing Sources (Uses):</b>				
Transfers in	38,048	-	6,302,130	-
Transfers out	(5,824,567)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,786,519)</b>	<b>-</b>	<b>6,302,130</b>	<b>-</b>
<b>Extraordinary Item:</b>				
Successor Agency loan principal	2,899,296	724,825	-	-
Net change in fund balances	14,361,094	(40,123)	(168,764)	66,208
Fund Balances, Beginning of Year, as restated	107,462,473	21,730,310	(178,798)	(7,169,261)
<b>Fund Balances, End of Year</b>	<b>\$ 121,823,567</b>	<b>\$ 21,690,187</b>	<b>\$ (347,562)</b>	<b>\$ (7,103,053)</b>

See accompanying notes to basic financial statements.

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<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 815,248	\$ 44,931,250
950,541	950,541
-	1,394,820
4,052,620	12,555,259
-	1,279,864
795,427	2,388,683
-	375,390
1,064,208	1,534,628
64,140	1,196,057
<b><u>7,742,184</u></b>	<b><u>66,606,492</u></b>
3,133	7,737,111
104,643	22,508,088
56,821	4,310,589
1,720,246	5,236,083
2,922,850	4,146,135
774,699	9,015,861
615,000	666,988
98,209	1,460,371
<b><u>6,295,601</u></b>	<b><u>55,081,226</u></b>
<u>1,446,583</u>	<u>11,525,266</u>
1,092,162	7,432,340
(1,950,540)	(7,775,107)
<b><u>(858,378)</u></b>	<b><u>(342,767)</u></b>
<u>-</u>	<u>3,624,121</u>
588,205	14,806,620
<u>13,029,950</u>	<u>134,874,674</u>
<b><u>\$ 13,618,155</u></b>	<b><u>\$ 149,681,294</u></b>

**CITY OF LA QUINTA, CALIFORNIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

---

Net Change in Fund Balances - Total Governmental Funds	\$	14,806,620
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. Adjustments for capital outlay, net of asset deletions and the net depreciation expense is reported in the governmental activities.</p>		(10,095,613)
<p>This issuance of long-term debt liabilities provides current financial resources in the governmental funds, but issuing debt increases the long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position</p>		
Principal repayments	615,000	
Capital lease activity	26,620	
Loan repayments	<u>3,033,669</u>	3,675,289
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(7,953)
Compensated absences 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.		6,588
Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in total OPEB liability and the amortization of deferred outflows related to OPEB. This amount represents the net change in OPEB related amounts.		1,339,227
Pension expense recognizes the change in net pension liability and therefore is not recognized under the current resources measurement and (decreases)/increases from net position.		(1,326,436)
Revenues reported as unavailable revenue in the governmental funds are recognized as operating contributions and grants in the statement of activities		(676,739)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities		<u>(321,244)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>7,399,739</u></b>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2018

	<b>Business-Type Activities Enterprise Funds Golf Course</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Assets:</b>		
Current:		
Cash and investments	\$ 242,814	\$ 6,712,791
Receivables:		
Accounts	58,517	-
Accrued interest	1,212	18,058
Prepaid costs	-	643,132
Deposits	250,000	-
Inventories	70,855	-
<b>Total Current Assets</b>	<b>623,398</b>	<b>7,373,981</b>
Noncurrent:		
Capital assets - net of accumulated depreciation	43,585,880	14,980,852
<b>Total Assets</b>	<b>44,209,278</b>	<b>22,354,833</b>
<b>Liabilities:</b>		
Current:		
Accounts payable	322,392	121,206
Deposits payable	35,500	-
Due to other funds	-	358,057
Current portion of capital leases	-	107,450
<b>Total Current Liabilities</b>	<b>357,892</b>	<b>586,713</b>
Noncurrent Liabilities:		
Advances from other funds	5,468,718	-
Long-term portion of capital leases	-	536,285
<b>Total Liabilities</b>	<b>5,826,610</b>	<b>1,122,998</b>
<b>Net Position:</b>		
Net investment in capital assets	43,585,880	14,337,117
Unrestricted	(5,203,212)	6,894,718
<b>Total Net Position</b>	<b>\$ 38,382,668</b>	<b>\$ 21,231,835</b>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2018

	<b>Business-Type Activities Enterprise Funds Golf Course</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues:</b>		
Sales and service charges	\$ 3,567,718	\$ 2,603,142
<b>Operating Expenses:</b>		
Administration and general	42,113	484,710
Fuel and oil	-	54,198
Maintenance and parts	-	182,283
Contract services	3,860,634	622,469
Software and supplies	-	937,994
Depreciation expense	250,989	841,327
Other	92,871	-
Total Operating Expenses	<u>4,246,607</u>	<u>3,122,981</u>
Operating Income (Loss)	<u>(678,889)</u>	<u>(519,839)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Interest revenue	3,511	53,071
Miscellaneous revenues	-	17,365
Interest expense	(71,856)	(647)
Loss on disposal of capital assets	-	220,039
Total Nonoperating Revenues (Expenses)	<u>(68,345)</u>	<u>289,828</u>
Income (Loss) before transfers	<u>(747,234)</u>	<u>(230,011)</u>
Transfers in	434,000	-
Transfers out	-	(91,233)
Total Transfers	<u>434,000</u>	<u>(91,233)</u>
Changes in Net Position	(313,234)	(321,244)
<b>Net Position, Beginning of the Year</b>	<u>38,695,902</u>	<u>21,553,079</u>
<b>Net Position at End of Year</b>	<u><u>\$ 38,382,668</u></u>	<u><u>\$ 21,231,835</u></u>

See accompanying notes to basic financial statements.



**CITY OF LA QUINTA, CALIFORNIA**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2018**

	<b>Business-Type Activities- Enterprise Funds Golf Course</b>	<b>Governmental Activities- Internal Service Funds</b>
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 3,566,280	\$ -
Cash received from interfund services provided	-	2,602,013
Cash payments to suppliers for goods and services	(3,991,405)	(2,285,869)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(425,125)</b>	<b>316,144</b>
Cash Flows from Non-Capital Financing Activities:		
Cash transfers in	434,000	-
Other receipts	-	3,986
Advance from other funds	71,856	-
<b>Net Cash provided by Non-Capital Financing Activities</b>	<b>505,856</b>	<b>3,986</b>
Cash Flows from Capital and Related Financing Activities:		
Capital contributions	-	-
Acquisition and construction of capital assets	-	(602,392)
Interest paid on capital debt	(71,856)	(647)
Proceeds from sales of capital assets	-	220,039
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(71,856)</b>	<b>(383,000)</b>
Cash flows from investing activities:		
Interest received on investments	2,750	(33,167)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>11,625</b>	<b>(96,037)</b>
Cash and Cash Equivalents at Beginning of Year	231,189	6,808,828
Cash and Cash Equivalents at End of Year	<b>\$ 242,814</b>	<b>\$ 6,712,791</b>

See accompanying notes to basic financial statements.

**CITY OF LA QUINTA, CALIFORNIA**

**STATEMENT OF CASH FLOWS, (CONTINUED)  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2018**

	<b>Business-Type Activities- Enterprise Funds Golf Course</b>	<b>Governmental Activities- Internal Service Funds</b>
Reconciliation of Operating Income to Net Cash		
Provided by (Used for) Operating Activities:		
Operating income (loss)	\$ (678,889)	\$ (519,839)
Adjustments to reconcile operating income (loss)		
net cash provided (used) by operating activities:		
Depreciation	250,989	841,327
(Increase) decrease in accounts receivable	(1,438)	-
(Increase) decrease in inventories	(10,743)	-
(Increase) decrease in due from other governments	3,257	-
(Increase) decrease in prepaid expense	-	43,497
Increase (decrease) in accounts payable	12,163	97,117
Increase (decrease) in accrued liabilities	(464)	(1,931)
Increase (decrease) due to other funds	-	(144,027)
<b>Total Adjustments</b>		
<b>Net Cash Provided by (Used for)</b>		
<b>  by Operating Activities</b>	<b>\$ (425,125)</b>	<b>\$ 316,144</b>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

	<u>Agency Funds</u>	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>
		<u>Supplemental Pension Plan</u>	<u>Successor Agency of the former RDA</u>
<b>Assets:</b>			
Cash and investments	\$ 171,794	\$ 115,894	\$ 43,949,992
Receivables:			
Notes and loans	-	-	1,721,526
Accrued interest	77	310	112,648
Prepaid asset	-	-	541,760
Due from other governments	-	-	1,572,557
Restricted assets:			
Cash and investments with fiscal agents	-	-	2,435
<b>Total Assets</b>	<b><u>\$ 171,871</u></b>	<b><u>\$ 116,204</u></b>	<b><u>\$ 47,900,918</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding		-	<b><u>10,883,653</u></b>
<b>Liabilities:</b>			
Accounts payable	-	-	45,431
Accrued interest	-	-	3,058,466
Deposits payable	171,871	-	-
Long-term liabilities:			
Due in one year	-	-	11,473,066
Due in more than one year	-	-	230,726,112
<b>Total Liabilities</b>	<b><u>\$ 171,871</u></b>	<b><u>-</u></b>	<b><u>245,303,075</u></b>
<b>Net Position (Deficit):</b>			
Restricted for pensions		<u>\$ 116,204</u>	
Held in trust for private purposes			<u>\$ (186,518,504)</u>

See accompanying notes to basic financial statements.

CITY OF LA QUINTA, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2018

	<b>Pension Trust Fund</b>	<b>Private-Purpose Trust Fund</b>
	<b>Supplemental Pension Plan</b>	<b>Successor Agency of the Former RDA</b>
<b>Additions:</b>		
Taxes	\$ -	\$ 20,726,954
Net investment income	776	127,665
<b>Total Additions</b>	<b>776</b>	<b>20,854,619</b>
<b>Deductions:</b>		
Administrative expenses	12,833	190,979
Contractual services	-	2,441,836
Interest and fiscal charges	-	9,787,286
<b>Total Deductions</b>	<b>12,833</b>	<b>12,420,101</b>
<b>Extraordinary Item:</b>		
Successor Agency loan principal	-	(3,624,121)
<b>Changes in Net Position</b>	<b>(12,057)</b>	<b>4,810,397</b>
Net Position/(Deficit) - Beginning of the Year	128,261	(191,328,901)
Net Position/(Deficit) - End of the Year	<b>\$ 116,204</b>	<b>\$ (186,518,504)</b>

See accompanying notes to basic financial statements.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Reporting Entity**

The City of La Quinta (City) was incorporated May 1, 1982, under the general laws of the State of California. In November 1996, the City became a charter City. The City operates under the Council – Manager form of government.

The City provides many community services including public safety, highway and street maintenance, health and social services, cultural and leisure services, public improvements, planning and zoning services, and community development services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments. As required by generally accepted accounting principles, these financial statements present the City and its component units, which are entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete.

All of the City’s component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and so data from these units are reported with the interfund data of the primary government.

The following organizations are considered to be component units of the City:

City of La Quinta Public Financing Authority

The La Quinta Public Financing Authority (Financing Authority) was established pursuant to a Joint Exercise of Powers Agreement dated November 19, 1991, between the City and the Former Redevelopment Agency (now Successor Agency). The purpose of the Financing Authority is to provide financing necessary for the construction of various public improvements through the issuance of debt. Although the Financing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Financing Authority and the management of the City has operational responsibility for the Financing Authority. Separate financial statements of the Financing Authority are not prepared.

City of La Quinta Housing Authority

The La Quinta Housing Authority (Housing Authority) was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on September 15, 2009. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for La Quinta residents. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority and the management of the City has operational responsibility for the Housing Authority. Separate financial statements of the Housing Authority are not prepared.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b. Government-Wide and Fund Financial Statements**

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting City's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

**Fund Financial Statements**

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the city primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses a 60-day availability period.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed delivered tax revenues* are recognized as revenues in the period in which the underlying exchange transaction on which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses). Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, all deferred outflows of resources, all liabilities, and all deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as an Other Financing Source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as expenditures.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services.

Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

The pension and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Major Funds, Internal Service Funds and Fiduciary Fund Types**

The City's major governmental funds are as follows:

General Fund – This fund is the primary fund of the City and is used to account for all revenue and expenditures of the City not legally restricted as to use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Finance, City Clerk, Community Development, Police Services, Public Works, and Community Services.

Housing Authority- This fund accounts for the combined housing activities of the Housing Authority in Project Areas 1 and 2 which promotes and provides for quality housing. Revenues will be provided from the receipts and collections of rents, notes and loans. All monies in the Housing Authority must be used in accordance with the applicable housing-related provisions of the California Housing Authorities Law.

Capital Improvement Fund – This capital projects fund is used to account for the planning, design and construction of various capital projects throughout the City.

Civic Center Fund – This fund accounts for the accumulation of resources provided through developer fees for the acquisition, construction, or improvement of the Civic Center.

The City's major proprietary fund is as follows:

Golf Course – This fund accounts for the activities of the SilverRock Golf Resort.

Other fund types of the City are as follows:

Debt Service Fund – This fund accounts for the servicing of long-term debt.

Internal Service Funds:

Equipment Replacement Fund – This fund accounts for equipment and vehicle maintenance and replacement services provided to other departments on a cost-reimbursement basis.

Information Technology Fund – This fund is used to account for the acquisition for computer equipment, maintenance, and services to support information systems within the City. Costs are reimbursed by the benefiting departments.

Park Equipment and Facilities Fund – This fund is used to account for the purchase and replacement of City owned park facility infrastructure. Costs are reimbursed by the benefiting departments.

Insurance Fund – This fund accounts for City-wide insurances: liability, property, earthquake, workers compensation and risk management. Expenses are shared among departments on an allocation basis.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Major Funds, Internal Service Funds and Fiduciary Fund Types (Continued)**

Fiduciary Funds:

Agency Fund – This fund accounts for assets held by the City as an agent for assessment district bondholders.

Pension Trust Fund – This fund accounts for the activities of the Supplemental Pension Savings Plan, which accumulates resources for pension benefit payments to qualified government employees.

Private-Purpose Trust Fund – This fund accounts for the assets and liabilities of the Former Agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the Former Agency are paid in full and assets have been liquidated.

**e. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity**

Cash and Investments

For financial reporting purposes, investments are adjusted to their fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. All investments are valued at fair value.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary fund's share in the City's cash and investment pool. Cash equivalents have an original maturity date of three months or less from the date of purchase. For purposes of the statement of cash flows, the entire balance of cash and investments on the combined balance sheet for the proprietary funds is considered cash and cash equivalents.

Inventory

Inventory is valued at cost using the first in/first out (FIFO) method. The City uses the consumption method of accounting for inventories.

CITY OF LA QUINTA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. **Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity (Continued)**

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City utilizes the consumption method, in which prepaid items are accounted for in the period that the benefit was received.

Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital Assets include public domain (infrastructure) consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

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 charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

The following schedule summarizes capital asset useful lives:

Building and improvements	10-30 years
Equipment and furniture	3-20 years
Vehicles	5-10 years
Infrastructure	10-50 years
Software	5-10 years

Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes are recorded initially in a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City of La Quinta accrues only those taxes that are received from the County within ninety days after year-end.

Lien date	January 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity (Continued)**

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Governmental activities recorded deferred outflows of resources related to pensions and OPEB of \$3,667,012 and \$1,523,400 respectively.

In addition to liabilities, the statements of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has reported items on the Governmental Fund Balance Sheet as unavailable revenues that were not received within the City's availability period. Additionally Governmental activities recorded deferred inflows of resources related to pensions of \$605,946.

Compensated Absences

Vacation and sick time is vested on a percentage based on number of years employed at the City. Maximum accumulation of sick and vacation is 40 and 60 days, respectively.

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. If an employee terminates with a minimum of two years' service, the employee is entitled to receive 25 percent of the value of his unused sick leave. The percentage increases by 25 percent for each five-year period until the employee is entitled to 100 percent of the value of their unused sick leave. This will occur upon the completion of twenty years of continuous employment. The General Fund resources are used to pay for the accumulated benefits to employees.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. 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.

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

CITY OF LA QUINTA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. **Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position or Equity (Continued)**

Fund Balance

In the fund financial statements, governmental funds report the following fund balance classification:

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

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest authority, the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by a resolution.

Assigned includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. City Council is authorized to assign amounts to a specific purpose. The City Council authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted through a resolution.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance.

Fund Balance Flow Assumptions – governmental fund financial statements

Sometimes the City of La Quinta will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position Flow Assumption – governmental and proprietary fund financial statements

Sometimes the City of La Quinta will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**g. New Accounting Pronouncements**

Adopted in the Current Year

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The City implemented this Statement effective July 1, 2017.

Effective in Future Fiscal Years

The City is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88 – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**g. New Accounting Pronouncements (Continued)**

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90 – In September 2018, the GASB issues Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018.



**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**II. DETAILED NOTES ON ALL FUNDS**

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments \$ 112,630,014

Statement of Fiduciary Net Position:

Cash and investments 44,237,680

Cash and investments with fiscal agent 2,435

Total Cash and Investments \$ 156,870,129

Cash and investment as of June 30, 2018, consist of the following:

Cash on hand \$ 3,000

Deposits with financial institutions 15,395,208

Investments 141,471,921

Total Cash and Investments \$ 156,870,129

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

The table below identifies the investment types that are authorized by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if 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.

<u>Investment Types</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	\$30 million
U.S. Agency Securities	5 years	30%	20-30 million
Local Agency Bonds	5 years	30%	30 million
California Local Agency Obligations	5 years	30%	30 million
Commercial Paper	90 days	15%	5 million
Certificates of Deposit	5 years	30%	250,000
Negotiable Certificates of Deposits	5 years	30%	250,000
Corporate Notes	5 years	10%	5 million
Investment Pools (Riverside County Pool)	N/A	None	None
Money Market Mutual Funds	N/A	20%	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	50 million
Investment Agreements	3 years	10%	N/A

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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 short term and long 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 (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Total	Remaining Maturity (in Years)		
		1 year Or Less	1 to 3 years	3 to 5 years
Certificates of Deposit	\$ 16,463,074	\$ 4,349,302	\$ 5,491,773	\$ 6,621,999
Federal agency securities:				
Federal Farm Credit Bank	2,939,295	494,175	1,476,280	968,840
Federal National Mortgage Association	2,961,685	-	2,961,685	-
Federal Home Loan Mortgage Corp	8,559,598	495,390	2,456,950	5,607,258
Federal Home Loan Bank	6,803,135	-	5,807,825	995,310
U.S. Treasury Notes	17,554,030	4,481,185	6,378,065	6,694,780
Corporate Notes	3,446,980	1,981,220	986,580	479,180
Local Agency Investment Fund	72,986,767	72,986,767	-	-
Riverside County Pool	9,754,327	9,754,327	-	-
Held by Fiscal Agent:				
Money Market Mutual Funds	3,030	3,030	-	-
<b>Total</b>	<b>\$ 141,471,921</b>	<b>\$ 94,545,396</b>	<b>\$ 25,559,158</b>	<b>\$ 21,367,367</b>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in commercial paper and money market mutual funds to those rated the highest rating as rated by Moody's or Standard and Poor's (S&P). Presented below are the S&P ratings as of year-end:

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Disclosures Relating to Credit Risk (Continued)

Investment Type	Total	AAA	AA+	AA-
Federal Agency Securities	\$ 21,263,713	\$ -	\$ 21,263,713	\$ -
Corporate Notes	3,446,980	2,474,830	479,180	492,970
Total	24,710,693	\$ 2,474,830	\$ 21,742,893	\$ 492,970
<i>Exempt from Credit Risk disclosure:</i>				
U.S. Treasury Notes	17,554,030			
<i>Not rated:</i>				
Certificates of Deposit	16,463,074			
Local Agency Investment Pool	72,986,767			
Riverside County Pool	9,754,327			
Money Market Mutual Funds	3,030			
Total investments	\$ 141,471,921			

Concentration of Credit Risk

Investments in any one issuer that represent 5 percent or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Portfolio
Federal Home Loan Mortgage Corp	Federal Agency Securities	\$ 8,559,598	6%
Federal Home Loan Bank	Federal Agency Securities	6,803,135	5%

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 governmental 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 percent 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 percent of the secured public deposits.

As a public funds depository Wells Fargo maintains a public funds deposit collateralization program that is designed to comply with all applicable statutes and regulations governing public funds deposits, including pledge and perfection of collateral. Accounts holding public funds are labeled as such and trigger collateralization. Collateral needs are met based on the prior day close of business. However, same-day collateral requests may be accommodated upon request.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

Investment in Riverside County Pool

The City is a voluntary participant in the Riverside County Pooled Investment Fund that is regulated by California Government Code Section 53646 and managed by the Riverside County Treasurer. The City’s investment in this pool is reported in the accompanying financial statements of net position and prepared using the accrual basis of accounting. Investments are reported at fair value. The balance available for withdrawal is based on the accounting records maintained by the County.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relations to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the City’s measurement of fair value of its investment with LAIF is based on uncategorized inputs, not defined as a level 1, level 2, or level 3 input.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2018:

	Total	Level	
		1	2
Investments:			
U.S. Treasury Notes	\$ 17,554,030	\$ 17,554,030	\$ -
Federal Agency Securities	21,263,713	-	21,263,713
Corporate Notes	3,446,980	-	3,446,980
Certificates of Deposit	16,463,074	-	16,463,074
Total Leveled Investments	58,727,797	<u>\$ 17,554,030</u>	<u>\$ 41,173,767</u>
Investments with uncategorized inputs:			
Local Agency Investment Fund	72,986,767		
Riverside County Pool	9,754,327		
Held by Fiscal Agent			
Money Market Mutual Funds	3,030		
Total Investments	<u>\$ 141,471,921</u>		

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 3: NOTES RECEIVABLE**

In September 1994, the former redevelopment agency sold certain real property to LINC Housing for \$2,112,847. The property was used to construct single-family homes and rental units to increase the City's supply of low and moderate income housing. The note bears interest at 6 percent per annum and is due in full on June 15, 2029. On February 1, 2012, this receivable was transferred to the Housing Authority, which took over the housing function of the former redevelopment agency upon dissolution. The balance at June 30, 2018, including accrued interest of \$2,774,717 is \$4,810,105.

In February 2011, the former redevelopment agency entered into Disposition and Development Agreement with Coral Mountain Partners L.P. ("Coral Mountain") to fund up to \$29,000,000 for the construction of a low and moderate income apartment complex with an estimated completion date of the apartment complex of March 2014. The former redevelopment agency's \$29,000,000 loan is evidenced by a Promissory Note executed by Coral Mountain ("Note"). Interest on the outstanding note amount will bear simple interest of 1 percent. Principal and interest will be repaid on or before May 1st of each year from annual residual receipts as defined in the Note once the project is completed and may be repaid early if the property is refinanced, or if the property is transferred to another entity. On February 1, 2012, this receivable was transferred to the Housing Authority which took over the housing function of the former redevelopment agency upon dissolution. As of June 30, 2018, the outstanding principal balance is \$20,954,110 and the outstanding interest balance is \$949,177.

Other notes receivable as of February 1, 2012, included in the Housing Authority which took over the housing function of the former redevelopment agency upon dissolution totaled \$23,525 at June 30, 2018.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2018, is as follows:

	Balance at July 1, 2017	Additions	Deletions	Transfers	Balance at June 30, 2018
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 74,316,674	\$ 613,122	\$ 8,335,262	\$ -	66,594,534
Right of way	284,928,794	558,549	-	-	285,487,343
Construction-in-progress	9,969,495	7,565,886	195,608	(3,187,999)	14,151,774
Total Capital Assets, Not Being Depreciated	<u>369,214,963</u>	<u>8,737,557</u>	<u>8,530,870</u>	<u>(3,187,999)</u>	<u>366,233,651</u>
Capital assets, being depreciated:					
Buildings and improvements	74,640,811	58,531	2,736,127	746,504	72,709,719
Equipment and furniture	3,482,922	233,283	215,494	-	3,500,711
Vehicles	1,874,386	500,868	634,434	-	1,740,820
Infrastructure	221,445,816	-	-	2,441,495	223,887,311
Total Capital Assets, Being Depreciated	<u>301,443,935</u>	<u>792,682</u>	<u>3,586,055</u>	<u>3,187,999</u>	<u>301,838,561</u>
Less accumulated depreciation for:					
Buildings and improvements	30,521,389	2,303,974	775,236	-	32,050,127
Equipment and furniture	2,454,454	249,712	215,494	-	2,488,672
Vehicles	1,302,338	72,670	634,434	-	740,574
Infrastructure	115,296,067	6,583,178	-	-	121,879,245
Total Accumulated Depreciation	<u>149,574,248</u>	<u>9,209,534</u>	<u>1,625,164</u>	<u>-</u>	<u>157,158,618</u>
Total Capital Assets, Being Depreciated, Net	<u>151,869,687</u>	<u>(8,416,852)</u>	<u>1,960,891</u>	<u>3,187,999</u>	<u>144,679,943</u>
Governmental Activities Capital Assets, Net	<u>\$ 521,084,650</u>	<u>\$ 320,705</u>	<u>\$ 10,491,761</u>	<u>\$ -</u>	<u>510,913,594</u>

Depreciation expense was charged to the following functions in the Statement of Activities:

General governments	\$ 653,918
Planning and development	24,628
Community services	1,850,644
Public works	6,680,344
	<u>\$ 9,209,534</u>

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

Capital asset activity for business-type activities for the year ended June 30, 2018, is as follows:

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Business-Type activities:				
Capital assets, not being depreciated:				
Land	\$ 39,712,955	\$ -	\$ -	39,712,955
Capital assets, being depreciated:				
Buildings and improvements	6,636,465	-	-	6,636,465
Equipment and furniture	2,379,238	-	332,526	2,046,712
Vehicles	20,348	-	20,348	-
Software	20,255	-	-	20,255
Total Capital Assets, Being Depreciated	<u>9,056,306</u>	<u>-</u>	<u>352,874</u>	<u>8,703,432</u>
Less accumulated depreciation for:				
Buildings and improvements	2,865,097	214,546	-	3,079,643
Equipment and furniture	2,026,693	36,443	332,526	1,730,610
Vehicles	20,348	-	20,348	-
Software	20,255	-	-	20,255
Total Accumulated Depreciation	<u>4,932,393</u>	<u>250,989</u>	<u>352,874</u>	<u>4,830,508</u>
Total Capital Assets, Being Depreciated, Net	<u>4,123,913</u>	<u>(250,989)</u>	<u>-</u>	<u>3,872,924</u>
Business-Type Activities Capital Assets, Net	<u>\$ 43,836,868</u>	<u>\$ (250,989)</u>	<u>\$ -</u>	<u>43,585,879</u>

Depreciation expense was charged to the following functions in the Statement of Activities:

Golf Course	<u>\$ 250,989</u>
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**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5: CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES**

Changes in Long-Term Debt

The following is a summary of changes in governmental long-term liabilities of the City for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One year
City:					
Compensated absences payable	\$ 830,430	\$ 817,254	\$ 823,842	\$ 823,842	\$ 823,842
Copier lease payable	49,920	-	26,620	23,300	7,173
Dell Computer lease	14,699	-	9,587	5,112	4,474
De Lage Landen Public Finance	37,916	-	37,916	-	-
Fleet Vehicle Lease	427,628	293,332	82,337	638,623	107,450
Note payable - Eisenhower Dr. Property	2,250,000	-	1,125,000	1,125,000	1,125,000
Housing Authority:					
Provident Loan	1,280,221	-	1,280,221	-	-
U.S. Department of Agriculture	628,448	-	628,448	-	-
Financing Authority:					
Revenue bonds	1,265,000	-	615,000	650,000	650,000
	<u>\$ 6,784,262</u>	<u>\$ 1,110,586</u>	<u>\$ 4,628,971</u>	<u>\$ 3,265,877</u>	<u>\$ 2,717,939</u>

A description of individual issues of debt (excluding defeased bonds) outstanding as of June 30, 2018, is as follows:

Copier Leases Payable

In June 2013, the City entered into a 5-year lease agreement for photocopiers for \$71,045 maturing in monthly increments of \$1,456, with interest payable monthly at 8.47 percent. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments at the inception date.

On April 1, 2015, the City leased an additional copier for \$9,000 maturing in monthly increments of \$1,728, with interest payable monthly at 8.47 percent.

The minimum future lease obligations and the net present value of the lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Total
2019	\$ 8,160
2020	8,160
2021	8,160
2022	680
Total Payments	25,160
Less amount representing interest	(1,860)
Outstanding Principal	<u>\$ 23,300</u>



CITY OF LA QUINTA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

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**NOTE 5: CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES  
(CONTINUED)**

Dell Computer Lease Payable

In April 2014, the City entered into a 5-year lease agreement for Dell computers for \$90,629 maturing in annual increments ranging from \$20,693 to \$408, with interest payable annually at 4.79%. In August 2015, the City entered into another 5-year lease for Dell computers for \$17,682 maturing in annual increments from \$16,620 to \$639, with interest payable annually at 4.07%. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments at the inception date.

The minimum future lease obligations and the net present value of the lease payments as of June 30, 2018, are as follows:

	Year Ending June 30,	Total
	2019	\$ 4,685
	2020	664
Total Payments		5,349
Less amount representing interest		(236)
Outstanding Principal		<u>\$ 5,113</u>

Technology Hardware Lease Payable

In 2016, the City entered into a 3-year lease agreement for network firewall and switches for \$113,748 maturing in three annual installments of \$37,916, with no interest. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments at the inception date. The lease was paid off in the current year.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5: CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES  
(CONTINUED)**

Fleet Vehicle Lease

In January of 2017 the City entered into a vehicle lease agreement with Enterprise Fleet Management with the goal of replacing all light duty vehicles within two years. Pool vehicles are also included in the replacement program and are utilized by multiple departments. In fiscal year 2017-18, 11 vehicles were replaced with five-year leases ranging from \$26,926 to \$42,233. This lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payment at the inception date. The minimum future lease obligations and the net present value of the lease payments as of June 30, 2018, are as follows:

Year Ending June 30,	Total
2019	\$ 107,450
2020	121,728
2021	136,016
2022	196,405
2023	77,024
Outstanding Principal	<u>\$ 638,623</u>

Note Payable – Eisenhower Drive Property

In March 2017, the City secured a note in the amount of \$2,250,000 to fund the acquisition of property located on Eisenhower Drive to be used as a drainage retention basin. The note accrues interest at 3.5% and will be paid in two annual installments beginning in fiscal year 2017-18 of which the principal portion will be \$1,125,000 each.

1996 Lease Revenue Refunding Bonds

On November 15, 1996, the Financing Authority issued \$8,790,000 of 1996 Lease Revenue Refunding Bonds to defease the remaining 1991 Local Agency Revenue Bonds in the amount of \$8,200,000 and to provide funds for construction of remaining improvements to the La Quinta Civic Center site.

The bonds consist of \$3,630,000 of serial bonds and \$5,150,000 of term bonds. The serial bonds will accrue interest at rates between 3.70 percent and 5.30 percent and principal amounts mature between October 1, 1997 and October 1, 2008, in amounts ranging from \$285,000 to \$380,000. The term bonds accrue interest at a rate of 5.55 percent and mature on October 1, 2018.

A surety agreement has been purchased to satisfy the bond reserve requirement. There are certain limitations regarding the issuance of parity debt as further described in the official statement. The amount of principal outstanding at June 30, 2018, is \$650,000.

Year Ending June 30,	Principal	Interest
2019	<u>\$ 650,000</u>	<u>\$ 18,038</u>

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 5: CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES  
(CONTINUED)**

Loans

*Washington Street Apartments*

In October 2008, the former redevelopment agency acquired the Washington Street Apartments for cash and the assumption of the following debt:

Provident Bank Loan

This loan was originally entered into with the previous owner of the Washington Street Apartments and Provident Bank for \$1,696,000 in August 2001 at an 8.36 percent interest rate. In March 2018, the Washington Street Apartments were transferred to the Coachella Valley Housing Coalition and the remaining balance of the loan was paid off as part of the transfer of property.

United States Department of Agriculture (USDA) Rural Development Promissory Note

This promissory note was originally entered into with the previous owner of the Washington Street Apartments and USDA – Rural Development for \$1,500,000 in November 1980 at a 10.00 percent interest rate. In March 2018, the Washington Street Apartments were transferred to the Coachella Valley Housing Coalition who assumed the remaining balance of the loan.

**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES**

The composition of current interfund receivable and payable balances is as follows:

Due from Other Funds	Due to Other Funds		Total
	Internal Service Funds	Non-Major Governmental	
General Fund	\$ 358,057	\$ 6,057	\$ 364,114

Interfund balances reflect short term borrowings for deficit cash balances at June 30, 2018.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

The composition of non-current interfund receivable and payable balances as of June 30, 2018, is as follows:

	<u>Advances from Other Funds</u>			<u>Total</u>
	<u>Civic Center Fund</u>	<u>Golf Course</u>	<u>Non-Major Governmental</u>	
Advances to Other Funds				
General Fund	<u>\$ 7,103,053</u>	<u>\$ 5,468,718</u>	<u>\$ 2,382,315</u>	<u>\$ 14,954,086</u>

- a) In September 2006, an advance up to \$9,615,094 for the City Hall expansion from the General Fund to the Civic Center Developer Impact Fee Fund was approved. The Civic Center expansion has been completed and the amount of the advance outstanding as of June 30, 2018 was \$7,103,053. The advance accrues interest based on the rate earned by the City investment pool average.
- b) As of June 30, 2018, the General Fund has advanced to the Golf Course fund \$5,468,718. The advance accrues interest at the City’s investment pool rate and is to be repaid by the golf course out of future profits.
- c) In October 2009, an advance up to \$2,033,687 for the Phase 1 of the Corporate Yard project from the General Fund to the Street and Park Maintenance Facility Funds was approved. As of June 30, 2018, the amount of the outstanding advance was \$1,891,472. The advance accrues interest at the earnings rate of the City’s investment pool.
- d) In February 2003, the Redevelopment Agency Capital Projects PA No. 2 Fund advanced \$1,350,131 to the Fire Facility Fund to provide funding for development of the City’s north fire station. On March 1, 2012 the outstanding advance of \$925,192 was transferred from the former redevelopment agency to the General Fund with the former redevelopment agency receiving \$925,192 in cash for the outstanding balance. The advance accrues interest at the earnings rate of the City’s investment pool funds. As of June 30, 2018, the remaining balance of the advance was \$490,843.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 7: INTERFUND TRANSFERS**

<u>Transfers In:</u>	<u>Transfer Out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental</u>	<u>Internal Service Fund</u>	
General Fund	\$ -	\$ 38,048	\$ -	\$ 38,048
Capital Improvements Fund	4,304,973	1,905,924	91,233	6,302,130
Non-major Governmental Funds	1,085,594	6,568	-	1,092,162
Golf Course Fund	434,000	-	-	434,000
Total	<u>\$ 5,824,567</u>	<u>\$ 1,950,540</u>	<u>\$ 91,233</u>	<u>\$ 7,866,340</u>

- a) \$38,048 was transferred to the General Fund from the Indian Gaming Grant Fund to reimburse the General Fund for expenditures within the City related to grant funding purposes.
- b) \$4,304,973 was transferred from the General Fund to the Capital Improvement Fund to fund various capital projects.
- c) \$1,905,924 was transferred to Capital Improvement Fund from various non-major funds whereby available external grant funding was received and appropriated first for various projects.
- d) \$1,085,594 was transferred from the General Fund to various non-major funds to support various administrative operations and expenses within the City.
- e) \$6,568 was transferred between non-major funds to repay the DIF loan liability.
- f) \$434,000 was transferred from the General Fund to the Golf Course Fund to subsidize operations.
- g) \$91,233 was transferred to the Capital Improvement Fund from the internal service funds to support various capital projects and preventative maintenance.

**NOTE 8: DEFINED BENEFIT PENSION PLAN**

**Miscellaneous Plan**

Plan Description

All qualified employees are eligible to participate in the City’s Miscellaneous Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under these plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provision, assumption and membership information. Copies of the report can be found on the CalPERS website.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Plan’s provisions and benefits in effect at June 30, 2018 are summarized as follows:

	Tier I	Tier II	PEPRA
	On and after	On and after	On and after
Hire date	December 16, 1983	December 17, 2012	January 1, 2013
Benefit formula	2.5% @55	2% @60	2% @62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 and up	50 and up	52 and up
Monthly benefits, as a % of eligible compensation	2% to 2.5%	2% to 2.5%	1% to 2%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	10.110%	7.200%	6.533%

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. Funding contributions are determined annually on an actuarial basis as of June 30<sup>th</sup> by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the 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. Employer contributions to the pension plan were \$1,061,439 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported a liability of \$12,612,523 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The City’s proportion of the collective net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportion of the collective net pension liability as of June 30, 2016 and 2017 is as follows:

Proportion- June 30, 2016	0.12567 %
Proportion- June 30, 2017	0.12718 %
Change- Increase (Decrease)	<u>0.00151 %</u>

For the year ended June 30, 2018, the City recognized pension expense of \$2,293,242.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

At June 30, 2018, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,061,439	\$ -
Changes in assumptions	1,771,618	-
Differences between expected and actual experience	-	205,994
Net difference between projected and actual earnings on pension plan investments	433,740	-
Change in employer's proportion	400,215	-
Difference between the city's contribution and proportionate share of contributions	-	399,952
Total	<u>\$ 3,667,012</u>	<u>\$ 605,946</u>

The \$1,061,439 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2019	\$ 572,374
2020	1,051,723
2021	633,049
2022	(257,520)
	<u>\$ 1,999,626</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
	June 30, 2016
	June 30, 2017
	Entry-Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Fund
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection allowance Floor on Purchasing Power applies, 2.75% thereafter

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Change of Assumptions:

The discount rate of 7.15 percent used for the June 30, 2017 measurement date was decreased from 7.65 percent used for the June 30, 2016 measurement date.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are summarized in the following table:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10	Real Return Years 11+
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80	2.27
Inflation Sensitive	6%	0.60	1.39
Private Equity	12%	6.60	6.63
Real Estate	11%	2.80	5.21
Infrastructure and Forestland	3%	3.90	5.36
Liquidity	2%	(0.40)	(0.90)
Total	100%		



**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net position liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent point lower or 1 percent higher than the current rate:

	Discount Rate - 1% <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	Discount Rate +1% <u>(8.15%)</u>
Net Pension Liability	<u>\$ 18,934,328</u>	<u>\$ 12,612,523</u>	<u>\$ 7,376,691</u>

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE 9: DEFINED CONTRIBUTION PLANS**

Plan Description

The Supplemental Pension Savings Plan is a defined contribution pension plan established by the City to provide retirement excess benefits to general employees of the City. At June 30, 2018, there was one plan member. There are no required contributions by plan members. During the 2017-2018 fiscal year the City made no contributions to fund the Supplemental Pension Savings Plan.

**NOTE 10: OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)**

Plan Description

The City's Retiree Health Plan is a single-employer defined benefit healthcare plan. The City contributes on behalf of all eligible retirees' \$128/month for the calendar year 2017 and \$133/month for calendar 2018, increased in all future years according to the rate of medical inflation. These benefits are provided per contract between the City and the employee associations. A separate financial report is not available for the plan.

In fiscal year 2018, the City joined a trust with CalPERS California Employers' Retiree Benefit Trust (CERBT) for the purpose of accumulating funding for OPEB obligations. The CERBT is a Section 115 Trust and is an agent multiple employer plan for those electing to prefund OPEB obligations. No assets are accumulated in a trust that meets the criteria of the paragraph 4 of GASB 75 as of the measurement date.

Benefits Provided

Retirees are eligible for medical benefits if they retire at age 50+, have 5+ years of service within CalPERS, and were enrolled in the CalPERS health system at retirement. The City provides PEMHCA minimum for each subscriber, regardless of elected coverage tier.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 10: OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB) (CONTINUED)**

*Employees Covered by Benefit Terms*

At June 30, 2017, the most recent valuation date, the following current and former employees were covered by the benefit terms of the plan:

Active employees	80
Inactive employees or beneficiaries currently receiving benefits	21
Total	<u>101</u>

*Contributions*

The City makes contributions to the plan based on an actuarially determined rate. Employees are not required to contribute to the plan. For the year ended June 30, 2018, the City contributions were \$1,523,400 in payments to the CERBT trust. This amount is shown as a Deferred Outflow at June 30, 2018, since these payments were made subsequent to the measurement period ending June 30, 2017.

Total OPEB Liability

*Actuarial Assumptions* – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal Cost Method
<i>Actuarial Assumptions:</i>	
Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	Base salary increase in year one: 2.875%. Base salary increases in subsequent years: 2.875%. Additional merit-based increases based on CalPERS.
Investment Rate of Return	7.00%
Mortality	(1)
Healthcare Trend Rate	7.00% in the first year, trending down to 3.84% over 58 years.

(1) Derived using CalPERS Membership Data for all Funds

Mortality rates were based on the CalPERS 1997-2011 Experience Study, which assumed future mortality improvements using Society of Actuaries (SOA) Scale BB. The Experience Study report can be obtained on the CalPERS website under Forms and Publications.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 7.00 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 10: OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB) (CONTINUED)**

Changes in Total OPEB Liability:

The changes in the OPEB liability for the Plan as of the measurement date June 30, 2017 are as follows:

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2017</b>	<u>\$ 1,288,598</u>
<b>Changes in the year:</b>	
Service cost	90,827
Interest on the total OPEB liability	93,346
Benefit payments	<u>(91,822)</u>
<b>Net changes</b>	<u>92,351</u>
<b>Balance at June 30, 2018</b>	<u><u>\$ 1,380,949</u></u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*– The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	<u>\$ 1,638,202</u>	<u>\$ 1,380,949</u>	<u>\$ 1,344,736</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent decreasing to 2.84 percent) or 1-percentage-point higher (8.00 percent decreasing to 4.84 percent) than the current healthcare cost trend rates:

	1% Decrease (6.00%) Decreasing to 2.84%)	Discount Rate (7.00%) Decreasing to 3.84%)	1% Increase (8.00%) Decreasing to 4.84%)
Total OPEB Liability	<u>\$ 1,302,558</u>	<u>\$ 1,380,949</u>	<u>\$ 1,694,434</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB:

For the year ended June 30, 2018, the City recognized OPEB expense of \$184,173. At June 30, 2018, the City reported deferred outflows of resources in the amount of \$1,523,400. The deferred outflow of resources related to OPEB represents contributions subsequent to the measurement date which will be recognized as a reduction to the total OPEB liability during the fiscal year ending June 30, 2019.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 11: RISK MANAGEMENT**

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of La Quinta is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the CJPIA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The CJPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of the CJPIA

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$40 million per occurrence.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2017-18, the CJPIA's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 11: RISK MANAGEMENT (CONTINUED)**

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

*Property Insurance* - The City of La Quinta participates in the all-risk property protection program of the CJPIA. This insurance protection is underwritten by several insurance companies. City of La Quinta property is currently insured according to a schedule of covered property submitted by the City of La Quinta to the CJPIA. City of La Quinta property currently has all-risk property insurance protection in the amount of \$88,336,949. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

*Earthquake Insurance* - The City of La Quinta purchases earthquake insurance brokered through a third party. The City of La Quinta property currently has earthquake protection up to \$10,000,000 per occurrence. There is a deductible of \$25,000 per occurrence. Premiums for the coverage are paid annually in the amount of \$98,700 and are not subject to retrospective adjustments.

*Crime Insurance* - The City purchases crime insurance coverage brokered through a third party. The City pays an annual premium of \$3,366, which covers thefts up to \$1,000,000, with a deductible of \$50,000 per occurrence.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage.

**NOTE 12: FUND BALANCE**

**a. Fund Balance Commitments**

In the FY 2017-2018, the City conducted an extensive reserve analysis and adopted a new Reserve Policy in May 2018. The policy defines the City's fund balance and reserve categories, identifies the need for reserves, and outlines the importance of maintaining the integrity of uses and funding amounts.

Committed reserves include:

Natural Disaster Emergency Reserves: These funds may be used for the preparation, recovery, and restoration of services before, during and/or after a natural disaster (such as flood, earthquake, etc.) as defined by City Code 2.20.020.

The target is \$10,000,000 and will be reviewed every five years by conducting a risk analysis of all City assets, insurance levels, and potential federal/state contributions towards disaster recovery efforts. For the year ended June 30, 2018, the City has committed \$7,400,000 for this purpose.

CITY OF LA QUINTA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

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**NOTE 12: FUND BALANCE (CONTINUED)**

**a. Fund Balance Commitments (Continued)**

Economic Downturn Reserves: These funds may be used in such instances as a declared national, state, or regional recession; loss of a major (top 10) revenue-generating business; or a natural disaster resulting in a significant decline in revenues. These reserves may also be used if overall revenues decrease or expenditures increase more than 10% of the previous year's actual revenues or expenditures.

The target is \$11,000,000, based on a 10-year analysis of the revenues and expenditure flows (which included the financial impacts of the Great Recession). The target will be evaluated again in the event of another significant economic downturn. For the year ended June 30, 2018, the City has committed \$8,140,000.

Cash Flow Reserves: These funds are maintained to have adequate cash on hand to account for the uneven receipt of revenue. For example, property tax accounts for a large percentage of annual revenue, the bulk of which is not remitted until December and May of each year.

The target is \$5,000,000 and will be determined annually by analyzing the prior fiscal year by month and calculating the largest cumulative deficit between revenues and expenditures, with a minimum expectation of approximately 10% of operating expenditures reserved. The cash flow reserve is fully funded as of June 30, 2018.

Capital Improvement Reserves: These funds may be used for capital assets and infrastructure rehabilitation, improvement, and replacement.

The target is \$10,000,000 and is based on annual depreciation of assets. For the year ended June 30, 2018, the City has committed \$5,000,000.

Unfunded Pension Liability: These funds may be used to fund future pension obligations such as annual pension fund payments, unfunded pension liability payments, and/or any additional contributions to pay down the unfunded liability.

The target is \$10,000,000 and will be reviewed annually as CalPERS updates the actuarial reports, which outline the City's unfunded pension liability and annual contributions. For the year ended June 30, 2018, the City has committed \$2,000,000 to the unfunded pension liability reserve.

Committed to Fiscal Year 2018-2019 carryovers totaled \$2,186,500 at June 30, 2018.

**b. Assigned Fund Balance**

The City has the following assigned fund balance shown on the balance sheet:

Assigned to public safety represents property tax accumulated and withheld by the County of Riverside to be used for fire protection, disaster preparedness, fire prevention, rescue, hazardous materials mitigation, technical rescue response, medical emergency services, and public service assists. The assigned fund balance related to this item as of June 30, 2018 is \$9,754,327.

Assigned to capital projects is comprised of carryover balances for capital projects and accumulated resources related to the City's sales tax Measure G with a combined total of \$10,166,785. Capital project carryover balances as of June 30, 2018 are \$4,996,815.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 12: FUND BALANCE (CONTINUED)**

**c. At June 30, 2018, the following funds had deficit fund balances:**

Major Capital Projects Funds:	
Capital Improvement	\$ 347,562
Civic Center	7,103,053
Nonmajor Special Revenue Funds:	
Justice Assistance Grant	268
Nonmajor Capital Projects Funds:	
Library Development	1,572,557
Street Facility	1,891,594
Fire Facility	490,843

**NOTE 13: GOLF COURSE MANAGEMENT AGREEMENT**

The City entered into an agreement with Landmark Golf Management LLC (operator) to manage the golf operations at the city-owned SilverRock Golf Course. The Agreement entered into on April 6, 2004, sets forth a five-year term commencing upon the completion of the golf course. On January 14, 2005, the golf course was deemed to be complete and management was turned over to the operator. The contract has been amended and extended numerous times with the current contract expiring June 30, 2019. The contract provides that the operator will manage the day to day operations, hire employees, provide golf pro shop and food services, manage all marketing and promotional activities, prepare the annual budget report for Council consideration, and manage accounting and payroll functions. In addition to the annual payment for management services, the City has advanced the operator \$250,000 to pay for golf course expenses. Twice a month the operator submits a request for reimbursement to the City to replenish the City's advance. In addition, the agreement sets forth the establishment of a capital reserve fund of 2 percent of green fees. For the fiscal year ending June 30, 2018, the Golf Course had a loss before transfers of \$747,234.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 14: CONSTRUCTION COMMITMENTS**

Various construction projects were in progress at June 30, 2018. Projects costs are paid out of the capital improvements fund. The following material construction commitments, for which funds have been encumbered, existed at June 30, 2018, with an estimated cost to complete.

Project Name	Project Number	Contract Amount	Expenditures to date as of June 30, 2018	Remaining Commitments
Madison Street Ave. 50 to Ave. 52	091002	\$ 2,914,993	\$ 778,492	\$ 2,136,501
Dune Palms Road Street Improvements	091004	2,483,000	771,643	1,711,357
Dune Palms Bridge Improvement	111205	17,510,603	1,227,093	16,283,510
SilverRock Infrastructure Improvements	141517	5,733,021	389,969	5,343,052
Miles Avenue Median Island Landscaping	151602	1,122,738	1,003,089	119,649
LQ Village Complete Streets- Road Diet Proj	151603	2,386,442	737,245	1,649,197
La Quinta X Park	151609	3,501,639	53,203	3,448,436
Citywide Drainage Enhancements	151612	8,384,279	3,858,950	4,525,329
HSIP Intersection Improvements	201601	1,260,400	57,045	1,203,355
HSIP Traffic Signal Interconnect Network	201602	2,001,000	106,689	1,894,311
La Quinta Landscape Renovation Improvement	201603	4,682,189	937,332	3,744,857
Fritz Burns Park- Tennis and Pickleball Court	201604	607,250	431,280	175,970
Civic Center Campus Lake/ Irrigation Conver	201606	675,270	132,961	542,309
SilverRock Event Space	201608	3,650,000	54,309	3,595,691
Washington Street at Fred Waring Dr.	201701	551,985	10,140	541,845
Eisenhower Retention Basin Landscape	201704	750,000	1,160	748,840
La Quinta High School ADA	201705	259,000	20,617	238,383
Jefferson Street Sidewalk Gap Closure	201706	180,000	27,585	152,415
Ave 53 Jefferson St. Roundabout	201709	2,027,328	44,721	1,982,607
Cove Public Restroom	201801	429,000	-	429,000
Highway 111 Sidewalk Improvements	201803	500,000	-	500,000
Washington St Apts Rehabilitation & Testa Property	999901	27,996,401	812,507	27,183,894

**NOTE 15: REIMBURSEMENT AGREEMENTS**

On September 9, 2014, the City entered into a sales tax sharing agreement with One Eleven La Quinta LLC (“Hobby Lobby”). Under the terms of the agreement the City shall make quarterly payments of 50 percent of any sales tax generated from Hobby Lobby in an amount not to exceed \$400,000 over an eight year period. Due to the reporting of sales tax information by the State Board of Equalization to the City, the reimbursement payments by the City will lag by one quarter. The agreement terminates when either the \$400,000 limit is reached or in eight years whichever comes first. The Hobby Lobby business opened in December 2014. As of June 30, 2018, the City made \$50,020 in reimbursement payments to the owner leaving an outstanding balance of \$305,863.



**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of La Quinta that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 3, 2011, the City Council elected to become the Successor Agency for the Former Redevelopment Agency (“Former Agency”) in accordance with the Bill as part of City resolution number 2012-002.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the Former Agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The Successor Agency to the Former Agency is reported as a fiduciary fund (private purpose trust fund).

**a. Cash and Investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 43,949,992
Cash and investments with fiscal agent	2,435
	<u>\$ 43,952,427</u>

**b. Loans Receivable**

Owner Participation Agreement – Garff Properties, LLC

In July 2010, the Former Agency entered into an Owner Participation Agreement (OPA) with Garff Properties-La Quinta, LLC (“Garff”) that provides for the Former Agency to provide a rehabilitation loan to Garff of up to \$2,300,000 for the construction of a new auto dealership facility and rehabilitation of an existing dealership facility. In connection with the OPA, Garff has executed a promissory note which is secured by a deed of trust, and an operating covenant. The loan will be repaid by crediting future sales and property tax increment taxes generated on the site until the cumulative taxes collected equals the loan amount. At that time, the note will be cancelled and the operating covenant will terminate.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**b. Loans Receivable (Continued)**

If, after ten years of operation, a shortfall exists between the revenues collected and the outstanding loan amount, the note will be cancelled and the operating covenant will terminate. Further, if at any time through no fault of the dealership certain future events outside of the dealership control occur the note will be cancelled and the operating covenant will terminate. The balance at June 30, 2018 is \$616,621.

Owner Participation Agreement – Torre Nissan

In June 2011, the Former Agency entered into an Owner Participation Agreement (OPA) with an auto dealer, Mega Dealer, LLC (“Torre Nissan”) that provides for the Former Agency to provide a rehabilitation loan to Torre Nissan of up to \$1,500,000 for the remodeling of the existing dealership and an expansion of the dealership facility to accommodate a new line of electric and commercial vehicles. The new expansion will also include service and parts sales facilities. In connection with the OPA, Torre Nissan has executed a promissory note, which is secured by a subordinated deed of trust, and an operating covenant. The loan will be repaid by crediting future sales and property tax increment taxes generated on the site until the cumulative taxes collected equals the loan amount. If Nissan Motor Company ceases to exist, the note will be cancelled and the operating covenant will terminate. At the end of the ten-year operating covenant, the operating covenant will terminate and the note will be cancelled, and any outstanding loan balance will be forgiven. The balance at June 30, 2018 is \$1,104,905.

**c. Due from other Governments**

La Quinta Library

In April 2005, an advance of \$2,490,273 was made from the former redevelopment agency to provide funding for the construction of the public library. The loan accrues interest at the earnings rate of the City’s investment pool fund. The remaining balance of this loan at June 30, 2018, is \$1,572,557.

**d. Deferred Outflows of Resources**

As debt is refunded, the difference between the carrying value of the refunded debt and the reacquisition price is recorded as a deferred outflow of resources and amortized over the shorter of the new or refunded debt, whichever is shorter. Activity during the fiscal year is comprised of the following:

	Balance at July 1, 2017	Additions	Deductions	Balance June 30, 2018
Deferred charge on refunding	\$ 11,467,492	\$ -	\$ 583,839	\$ 10,883,653

CITY OF LA QUINTA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**e. Long-Term Debt**

A description of long-term debt outstanding of the Successor Agency as of June 30, 2018, follows:

	Balance at July 1, 2017	Additions	Repayments	Balance June 30, 2018	Due within One year
Tax allocation bonds	\$ 202,445,000	\$ -	\$ 8,485,000	\$ 193,960,000	\$ 8,360,000
City loans	36,442,580	3,624,079	3,052,025	37,014,634	3,113,066
Unamortized premiums/discounts	11,923,169	-	698,655	11,224,514	-
Total	\$ 250,810,749	\$ 3,624,079	\$ 12,235,680	\$ 242,199,148	\$ 11,473,066

2013 Series A

On December 17, 2013, the Successor Agency issued subordinate tax allocation refunding bonds in the amount of \$97,190,000 to refinance outstanding long term obligations held by the Successor Agency. The 2013 Series A tax allocation bonds were issued at a premium of \$6,056,280 and issuance costs of \$480,001.

Interest rates on the bonds range from 3.00 percent to 5.00 percent and are payable semi-annually on March 1 and September 1 of each year until maturity. The interest and principal of the bonds are payable solely from property tax revenue.

A portion of the proceeds were used to fund the bond reserve requirement. The principal balance of outstanding bonds at June 30, 2018, is \$81,945,000 with an unamortized premium of \$4,542,210. The minimum annual requirements to amortize the bond payable as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 3,790,000	\$ 3,953,713	\$ 7,743,713
2020	3,985,000	3,759,338	7,744,338
2021	4,180,000	3,555,213	7,735,213
2022	4,390,000	3,340,963	7,730,963
2023	4,610,000	3,115,963	7,725,963
2024-2028	26,745,000	11,815,111	38,560,111
2029-2033	33,870,000	4,487,810	38,357,810
2034	375,000	8,906	383,906
	<u>\$ 81,945,000</u>	<u>\$ 34,037,017</u>	<u>\$ 115,982,017</u>

CITY OF LA QUINTA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018

**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**e. Long-Term Debt (Continued)**

2013 Series B

On December 17, 2013, the Successor Agency issued subordinate tax allocation refunding bonds in the amount of \$23,055,000 to refinance outstanding long term obligations held by the Successor Agency. The 2013 Series B tax allocation bonds were issued at a discount of \$8,951 and issuance costs of \$122,274.

The bonds consist of \$3,710,000 of term bonds that accrue interest at 5.240 percent and mature on September 1, 2026, \$4,335,000 of term bonds that accrue interest at 5.550 percent and mature on September 1, 2029, and \$5,115,000 of term bonds that accrue interest at 5.820 percent and mature on September 1, 2032. The remaining \$9,895,000 matures annually with rate ranging from 0.76 percent to 4.89 percent. The interest and principal on the bonds are payable from property tax revenue.

A portion of the proceeds were used to fund the bond reserve requirement. The principal balance of outstanding bonds at June 30, 2018, is \$19,230,000 with an unamortized discount of \$6,711.

The minimum annual requirements to amortize the bond payable as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 920,000	\$ 970,318	\$ 1,890,318
2020	950,000	939,623	1,889,623
2021	985,000	903,488	1,888,488
2022	1,025,000	860,981	1,885,981
2023	1,070,000	812,817	1,882,817
2024-2028	6,200,000	3,173,356	9,373,356
2029-2033	8,080,000	1,220,203	9,300,203
	<u>\$ 19,230,000</u>	<u>\$ 8,880,786</u>	<u>\$ 28,110,786</u>

2014 Series A

On July 9, 2014, the Successor Agency issued tax allocation refunding bonds in the amount of \$65,600,000, with a premium of \$8,545,482, to refinance outstanding 2004 Series A Revenue Bonds of \$72,865,000 with interest payments ranging between 3 percent to 5.25 percent. The net proceeds of \$73,402,709 (after payment of \$592,017 in issuance costs) plus an additional \$4,012,653 of 2004 Series A sinking fund monies were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent; and issued to pay-off \$77,415,362 of remaining principal and accrued interest of 2004 Series A. As a result, the 2004 Series A bonds are considered to be defeased and the liability for those bonds has been removed from the Successor Agency's long-term debt. The principal balance of outstanding bonds at June 30, 2018, is \$59,400,000. The remaining unamortized bond premium at June 30, 2018 was \$6,917,771.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**e. Long-Term Debt (Continued)**

The Successor Agency in effect reduced its aggregate debt service payments over the remaining maturity period of the 2004 Series A by \$11,814,531 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,801,878.

The minimum annual requirements to amortize the 2014 Series A bonds payable as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 2,340,000	\$ 2,875,450	\$ 5,215,450
2020	2,435,000	2,779,950	5,214,950
2021	2,530,000	2,668,000	5,198,000
2022	2,660,000	2,538,250	5,198,250
2023	2,795,000	2,401,875	5,196,875
2024-2028	16,190,000	9,714,750	25,904,750
2029-2033	20,665,000	5,130,125	25,795,125
2034-2035	9,785,000	495,375	10,280,375
	<u>\$ 59,400,000</u>	<u>\$ 28,603,775</u>	<u>\$ 88,003,775</u>

2016 Series A

On December 22, 2016, the La Quinta Redevelopment Project Areas No. 1 and 2 Subordinate Tax Allocation Refunding Bonds 2016 Taxable Series A Bonds were issued for \$35,055,000 by the Successor Agency to the La Quinta Redevelopment Agency (the “Agency”) to refinance on an advance basis the La Quinta Redevelopment Agency’s (the “Prior Agency”) previously issued \$6,000,000 La Quinta Redevelopment Project Area No. 2, Subordinate Taxable Tax Allocation Bonds, Series 2011 (the “2011 Project Area No. 2 Taxable Bonds”) of which \$5,810,000 was outstanding and the Prior Agency’s loan obligation under the Loan Agreement, dated February 3, 2004 as supplemented by the Second Supplemental Loan Agreement, dated as of March 1, 2011 (the “2011 Loan Obligation”) in connection with the La Quinta Financing Authority’s previously issued \$28,850,000 Local Agency Subordinate Taxable Revenue Bonds, 2011 Series A (the “2011 Taxable Housing Bonds”) of which \$26,635,000 was outstanding.

The Bonds were issued on a subordinate basis to the \$65,600,000 Successor Agency to the La Quinta Redevelopment Agency, La Quinta Redevelopment Project Areas No. 1 and 2, Tax Allocation Refunding Bonds, 2014 Series. The Bonds are payable from and secured by the Pledged Tax Revenues, as defined herein, to be derived from the La Quinta Redevelopment Project Area No. 1 and La Quinta Redevelopment Project Area No. 2.

The principal of and interest on the Bonds are payable solely from the pledged tax revenues allocated to the Successor Agency from the project areas. The principal balance of outstanding bonds at June 30, 2018, is \$33,385,000 with an unamortized discount of \$228,726.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**e. Long-Term Debt (Continued)**

The Bonds mature in 2040, but may be called before maturity and redeemed at the option of the Agency, in whole or in part, from the proceeds of refunding bonds or other available funds, on September 1, 2026 or on any date thereafter prior to maturity at a redemption price equal to the principal amount of Bonds to be redeemed, without premium, plus accrued interest to the redemption date.

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,310,000	\$ 1,208,580	\$ 2,518,580
2020	1,330,000	1,183,526	2,513,526
2021	1,365,000	1,153,763	2,518,763
2022	1,395,000	1,118,840	2,513,840
2023	1,430,000	1,079,255	2,509,255
2024-2028	7,835,000	4,668,385	12,503,385
2029-2033	9,375,000	3,072,634	12,447,634
2034-2038	8,655,000	897,966	9,552,966
2039-2040	690,000	18,334	708,334
	\$ 33,385,000	\$ 14,401,283	\$ 47,786,283

Loans from the City of La Quinta

The City of La Quinta loaned money to the Former Agency to cover operating and capital shortfalls. In a letter dated November 6, 2013, the California Department of Finance approved the loans as enforceable obligations to be paid through Successor Agency property tax. This loan approved split between the City’s General and the Housing Authority Funds. As of June 30, 2018, principal and interest due to the City of La Quinta was \$37,014,634.

On November 22, 2017, the Department of Finance (DOF) approved the last and final Recognized Obligation Payment Schedules (ROPS). The ROPS is a comprehensive schedule which includes all bond debt service payments, City loan repayments, administration, and annual reporting requirements from fiscal years 2018-2019 to 2039-2040.

**f. Pledged Tax Revenues**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$279,882,861 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred was \$20,600,454 and the debt service obligation on the bonds was \$17,790,596.

**CITY OF LA QUINTA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**NOTE 16: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**g. Insurance**

The Successor Agency of the Former Agency is covered under the insurance policy of the City of La Quinta at June 30, 2018.

**NOTE 17: EXTRAORDINARY ITEM**

Annual loan repayments are first applied to principal then interest and when received are allocated 80% General Fund and 20% Housing Authority Fund. The total principal repayment for the fiscal year ended June 30, 2018 was \$3,624,121 and is reflected as extraordinary revenue. No interest was paid during the fiscal year. The Department of Finance approval of the last and final ROPS increased the quarterly interest rate (from 3% to 4%, since the inception of the loan in November 2006). The interest due as of June 30, 2018 was \$11,148,313.

**NOTE 18: PRIOR PERIOD ADJUSTMENT**

As discussed under Note 1, the City implemented GASB 75 effective July 1, 2017. Refer to Note 10 for further disclosures related to the plan and related balances. As a result of the implementation; the City restated beginning net position for the fiscal year 2018 as noted below:

	<u>Governmental Activities</u>
Beginning of the year, as previously reported	
Net Position	\$ 673,989,472
Remove previously reported Net OPEB Obligation	876,592
Deferred outflows of resources related to pension	91,822
Total OPEB Liability as of the measurement date of June 30, 2017	(1,288,598)
Beginning of the year, as restated	
Net Position	<u><u>\$ 673,669,288</u></u>

Following is a pro forma effect of the retroactive application:

	June 30, 2017		June 30, 2017
	Previously Presented	Restatement	Restated
Total OPEB Liability	\$ 876,592	\$ 412,006	\$ 1,288,598
Deferred outflows of resources	-	91,822	91,822

CITY OF LA QUINTA, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 107,462,473	\$ 107,462,473	\$ 107,462,473	\$ -
<b>Resources (Inflows):</b>				
Taxes	37,364,100	41,264,100	44,116,002	2,851,902
Licenses and permits	1,257,700	1,347,700	1,394,820	47,120
Intergovernmental	7,215,000	7,265,000	7,467,753	202,753
Charges for services	1,258,200	1,312,100	1,279,864	(32,236)
Use of money and property	530,000	400,000	643,171	243,171
Fines and forfeitures	246,000	266,000	375,390	109,390
Miscellaneous	490,200	508,200	1,033,808	525,608
Extraordinary Item	-	-	2,899,296	2,899,296
Transfer In	190,400	-	38,048	38,048
<b>Amounts Available for Appropriations</b>	<b>156,014,073</b>	<b>159,825,573</b>	<b>166,710,625</b>	<b>6,885,052</b>
<b>Charges to Appropriation (Outflows):</b>				
General government				
Legislative	324,000	324,000	259,964	64,036
City manager	769,000	807,460	783,671	23,789
City attorney	460,000	460,000	420,511	39,489
Marketing	1,170,400	1,173,350	1,074,172	99,178
Human resources	462,900	516,590	474,561	42,029
City clerk	552,200	583,340	527,550	55,790
Fiscal services	1,123,200	1,159,860	1,033,895	125,965
Central services	1,266,300	2,549,380	2,393,228	156,152
The Hub Customer Services	786,300	809,160	766,425	42,735
Public safety				
Police	15,879,100	15,879,100	15,083,365	795,735
Public buildings	1,578,354	1,613,650	1,639,767	(26,117)
Code compliance	1,134,500	1,143,080	1,018,033	125,047
Building & safety	917,200	925,650	686,220	239,430
Fire	6,715,000	6,715,000	6,531,244	183,756
Planning and development				
Current planning	524,700	554,760	482,189	72,571
Parks and recreation				
Community services admin	703,500	728,650	631,998	96,652
Wellness center	679,300	661,420	581,478	79,942
Recreation Programs/Special Events	365,000	366,640	310,586	56,054
Park maintenance	1,582,300	1,635,700	1,732,772	(97,072)
Public works				
Administration	1,205,500	1,206,870	786,361	420,509
Development services	595,200	628,330	493,811	134,519
Maintenance/operations - street	8,600	8,600	10,459	(1,859)
Engineering services	1,299,400	1,410,620	1,340,230	70,390
Capital outlay	37,746	2,015,000	-	2,015,000
Transfers out	8,041,000	13,242,453	5,824,567	7,417,886
<b>Total Charges to Appropriations</b>	<b>48,180,700</b>	<b>57,118,663</b>	<b>44,887,058</b>	<b>12,231,605</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 107,833,373</b>	<b>\$ 102,706,910</b>	<b>\$ 121,823,567</b>	<b>\$ 19,116,657</b>

See accompanying note to the required supplementary information.



CITY OF LA QUINTA, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 21,730,310	\$ 21,730,310	\$ 21,730,310	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	-	-	304,474	304,474
Use of money and property	20,000	20,000	959,554	939,554
Extraordinary item	-	-	724,825	724,825
Other income	899,000	992,800	98,109	(894,691)
<b>Amounts Available for Appropriations</b>	<u>22,649,310</u>	<u>22,743,110</u>	<u>23,817,272</u>	<u>1,074,162</u>
<b>Charges to Appropriation (OutFlows):</b>				
Planning and development				
Homeless Housing	-	259,000	259,000	-
Administration	158,400	234,220	173,084	61,136
Low/Mod Housing	838,600	776,100	1,553,565	(777,465)
Debt service				
Principal retirement	66,500	66,500	51,989	14,511
Interest and fiscal charges	126,100	126,100	89,447	36,653
<b>Total Charges to Appropriations</b>	<u>1,189,600</u>	<u>1,461,920</u>	<u>2,127,085</u>	<u>(665,165)</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 21,459,710</u>	<u>\$ 21,281,190</u>	<u>\$ 21,690,187</u>	<u>\$ 408,997</u>

See accompanying note to the required supplementary information.

**CITY OF LA QUINTA, CALIFORNIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
MISCELLANEOUS PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS \***

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.10339%	0.12604%	0.12567%	0.12718%
Proportionate Share of the Net Pension Liability	\$ 6,433,391	\$ 8,651,290	\$ 10,874,098	\$ 12,612,523
Covered Payroll	\$ 5,421,945	\$ 5,480,758	\$ 5,569,002	\$ 5,739,416
Proportionate Share of the net pension liability as a Percentage of Covered Payroll	118.65%	157.85%	195.26%	219.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

\* - Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

*Changes in Assumptions*

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

*Covered Payroll*

In accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statement No. 67, No. 68, and No. 73*, we have restated to show covered payroll based on pensionable earnings.

**CITY OF LA QUINTA, CALIFORNIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
MISCELLANEOUS PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS \***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contributions - Miscellaneous	\$ 728,073	\$ 797,603	\$ 949,231	\$ 1,061,439
Contributions in Relation to the Actuarially Determined Contribution	<u>(728,073)</u>	<u>(797,603)</u>	<u>(949,231)</u>	<u>(1,061,439)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 5,480,758	\$ 5,569,002	\$ 5,739,416	\$ 6,064,875
Contributions as a Percentage of Covered Payroll	13.28%	14.32%	16.54%	17.50%

\* - Fiscal year 2015 was the first year of implementation, therefore, only four years are shown.

*Covered Payroll*

In accordance with GASB Statement No. 82, *Pension Issues- An Amendment of GASB Statement No. 67, No. 68, and No. 73*, we have restated to show covered payroll based on pensionable earnings.

**CITY OF LA QUINTA, CALIFORNIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, 2018, FOR THE LAST TEN FISCAL YEARS\***

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	<u><b>2018</b></u>
<b>Total OPEB Liability</b>	
Service cost	90,827
Interest on the total OPEB liability	93,346
Benefit payments	<u>(91,822)</u>
<b>Net change in total OPEB liability</b>	92,351
<b>Total OPEB liability- beginning</b>	<u>1,288,598</u>
<b>Total OPEB liability- ending</b>	<u><u>\$ 1,380,949</u></u>
Covered-employee payroll	5,603,428
Total OPEB liability as a percentage of covered-employee payroll	25%

**Notes to Schedule:**

Funding Policy: The City funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

\* Fiscal year 2018 was the first year of implementation

**CITY OF LA QUINTA, CALIFORNIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

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***NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING***

**a. Budget Procedures**

General Budget Policies

The City adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds and on the accrual basis of accounting for its proprietary funds. The City manager or his designee is authorized to transfer budgeted amounts between the accounts of any department or funds that are approved by City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the department level.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Transportation Uniform Mitigation Fee and Indian Gaming Funds did not adopt a budget.

## OTHER GOVERNMENTAL FUNDS

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues (other than expendable trusts and major capital projects) and the related expenditures that are legally required to be accounted for in a separate fund. The City of La Quinta has the following Special Revenue Funds:

State Gas Tax Fund – To account for gasoline allocations made by the State of California. These revenues are restricted by the State to expenditures for street-related purposes only.

Library and Museum Fund – To account for revenues from property tax increment dedicated library and museum services.

Federal Assistance Fund – To account for revenues from the Community Development Block Grants received from the Federal Government and the expenditures of those resources.

State Law Enforcement Services Account (SLESA) Fund – To account for state funded “Citizens for Public Safety” (COPS) program activities, as per Assembly Bill 3229, which supplements frontline police services such as anti-gang community crime prevention.

Indian Gaming Fund – To account for contributions for public safety activities to reduce crime and increase public safety.

Lighting and Landscape Special Assessment District 89-1 Fund – To account for special assessments levied on real property and the expenditure thereof from City-wide lighting and landscape maintenance and improvements.

Quimby Fund – To account for the accumulation of developer fees received under the provisions of the Quimby Act for park development and improvements. Capital projects to be funded from this source will be budgeted and expended in a separate capital projects fund.

La Quinta Public Safety Officer Fund – To account for contributions to be distributed to public safety officers disabled or killed in the line of duty.

Art in Public Places – To account for development fees paid in lieu of acquisition and installation of approved artworks in a development with expenditures restricted to acquisition, installation, maintenance and repair of artworks at approved sites.

South Coast Air Quality Fund – To account for contributions from the South Coast Air Quality Management District. Use is limited to reduction and control of airborne pollutants.

AB 939 Fund – To account for the State mandated program to reduce waste sent to the landfills through recycling efforts.

Development Agreement Fund – To account for the proceeds of development agreement revenues collected and the related expenditures in accordance with State requirements.

Law Enforcement Fund – To account for law enforcement grants and restricted revenue for public safety.

Justice Assistance Grant Fund – To account for Federal Bureau of Justice Block Grant program grant funds, which are used to reduce crime and improve public safety.

**SPECIAL REVENUE FUNDS (CONTINUED)**

Measure A Fund – To account for the revenues and expenditures related to Measure A monies.

Transportation Uniform Mitigation Fee Fund – To account for the revenues and expenditures related to Transportation Uniform Mitigation Fee monies.

**CAPITAL PROJECT FUNDS**

Capital projects funds account for the financial resources to be used for the acquisition, construction or improvements of major capital facilities and infrastructure.

Infrastructure Fund – To account for the accumulation of resources provided through developer fees for the acquisition, construction or improvement of the City’s infrastructure, prior to adoption of the new Developer Impact Fee Structure on August 16, 1999. This fund accounts for all developer resources received prior to this date, and is budgeted by the Council through adoption of the annual capital improvement program budget.

Transportation Fund, Parks and Receptions Fund, Library Development Fund, Community Center Fund, Street Facility Fund, Park Facility Fund, Fire Facility Fund – To account for the accumulation of resources provided through developer fees for the acquisition, construction, or improvement of the City’s infrastructure. The Developer Impact Fee was adopted by the City Council on August 16, 1999. Eight new funds have been established to account for the specific impact areas of these fees, and are budgeted by the Council through adoption of the annual Capital Improvement Program budget.

**DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest.

La Quinta Financing Authority Fund – To account for rental activity for the Civic Center and rental income used to pay the Financing Authority Civic Center and 2004 Local Agency Revenue Bond debt obligations.

CITY OF LA QUINTA, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<b>Special Revenue Funds</b>			
	<b>Gas Tax</b>	<b>Library and Museum</b>	<b>Federal Assistance</b>	<b>SLESA</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 353,656	\$ 4,928,675	\$ -	\$ 65,004
Receivables:				
Taxes	-	-	-	-
Accrued interest	1,083	12,878	-	109
Due from other governments	35,372	874,054	-	25,000
<b>Total Assets</b>	<b>\$ 390,111</b>	<b>\$ 5,815,607</b>	<b>\$ -</b>	<b>\$ 90,113</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 12,657	\$ 29,844	\$ -	\$ 31,475
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>12,657</b>	<b>29,844</b>	<b>-</b>	<b>31,475</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	-	874,054	-	-
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Planning and development projects	-	-	-	-
Public safety	-	-	-	58,638
Community services	-	4,911,709	-	-
Public works	377,454	-	-	-
Capital projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>377,454</b>	<b>4,911,709</b>	<b>-</b>	<b>58,638</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 390,111</b>	<b>\$ 5,815,607</b>	<b>\$ -</b>	<b>\$ 90,113</b>



CITY OF LA QUINTA, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Indian Gaming</u>	<u>Lighting and Landscaping</u>	<u>Quimby</u>	<u>Public Safety</u>
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 449,949	\$ 4,583,220	\$ 40,338
Receivables:				
Taxes	-	18,880	-	-
Accrued interest	-	922	12,696	105
Due from other governments	-	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 469,751</u>	<u>\$ 4,595,916</u>	<u>\$ 40,443</u>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 59,126	\$ -	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>59,126</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Planning and development projects	-	-	-	-
Public safety	-	-	-	40,443
Community services	-	-	4,595,916	-
Public works	-	410,625	-	-
Capital projects	-	-	-	-
<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>	<u>410,625</u>	<u>4,595,916</u>	<u>40,443</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ -</u>	<u>\$ 469,751</u>	<u>\$ 4,595,916</u>	<u>\$ 40,443</u>

CITY OF LA QUINTA, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2018

	<b>Special Revenue Funds</b>			
	<b>Art in Public Places</b>	<b>South Coast Air Quality</b>	<b>AB 939</b>	<b>Development Agreement</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 507,653	\$ 85,866	\$ 814,034	\$ 56,494
Receivables:				
Taxes	-	-	2,893	-
Accrued interest	1,374	442	2,097	336
Due from other governments	-	13,392	10,377	-
<b>Total Assets</b>	<b>\$ 509,027</b>	<b>\$ 99,700</b>	<b>\$ 829,401</b>	<b>\$ 56,830</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 10,044	\$ 2,742	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>10,044</b>	<b>2,742</b>	<b>-</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Planning and development projects	-	89,656	826,659	-
Public safety	-	-	-	-
Community services	509,027	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	56,830
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>509,027</b>	<b>89,656</b>	<b>826,659</b>	<b>56,830</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 509,027</b>	<b>\$ 99,700</b>	<b>\$ 829,401</b>	<b>\$ 56,830</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2018

	<b>Special Revenue Funds</b>			
	<b>Law Enforcement</b>	<b>Justice Assistance Grant</b>	<b>Measure A</b>	<b>Transportation Uniform Mitigation Fee</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 298,392	\$ -	\$ 1,119,892	\$ 65,249
Receivables:				
Taxes	-	-	122,874	-
Accrued interest	530	-	2,782	99
Due from other governments	12,299	-	-	-
<b>Total Assets</b>	<b>\$ 311,221</b>	<b>\$ -</b>	<b>\$ 1,245,548</b>	<b>\$ 65,348</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,078	\$ -	\$ -	\$ 64,250
Due to other governments	-	-	-	-
Due to other funds	5,667	268	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>8,745</b>	<b>268</b>	<b>-</b>	<b>64,250</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Planning and development projects	-	-	-	1,098
Public safety	302,476	-	-	-
Community services	-	-	-	-
Public works	-	-	1,245,548	-
Capital projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>(268)</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>302,476</b>	<b>(268)</b>	<b>1,245,548</b>	<b>1,098</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 311,221</b>	<b>\$ -</b>	<b>\$ 1,245,548</b>	<b>\$ 65,348</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018

	<b>Capital Projects Funds</b>			
	<b>Infrastructure</b>	<b>Transportation</b>	<b>Parks and Recreation</b>	<b>Library Development</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 23,851	\$ 3,089,108	\$ 887,905	\$ -
Receivables:				
Taxes	-	-	-	-
Accrued interest	63	9,272	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,914</b>	<b>\$ 3,098,380</b>	<b>\$ 887,905</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	1,572,557
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,572,557</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Planning and development projects	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital projects	23,914	3,098,380	887,905	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,572,557)</b>
<b>Total Fund Balances</b>	<b>23,914</b>	<b>3,098,380</b>	<b>887,905</b>	<b>(1,572,557)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 23,914</b>	<b>\$ 3,098,380</b>	<b>\$ 887,905</b>	<b>\$ -</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2018

	<b>Capital Project Funds</b>			
	<b>Community Center</b>	<b>Street Facility</b>	<b>Park Facility</b>	<b>Fire Facility</b>
<b>Assets:</b>				
Pooled cash and investments	\$ 136,626	\$ -	\$ 3	\$ -
Receivables:				
Taxes	-	-	-	-
Accrued interest	331	-	2	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 136,957</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	122	-	-
Advances from other funds	-	1,891,472	-	490,843
<b>Total Liabilities</b>	<b>-</b>	<b>1,891,594</b>	<b>-</b>	<b>490,843</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Planning and development projects	-	-	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital projects	136,957	-	5	-
<b>Unassigned</b>	<b>-</b>	<b>(1,891,594)</b>	<b>-</b>	<b>(490,843)</b>
<b>Total Fund Balances</b>	<b>136,957</b>	<b>(1,891,594)</b>	<b>5</b>	<b>(490,843)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 136,957</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ -</b>

**CITY OF LA QUINTA, CALIFORNIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018**

	<b>Debt Service Funds</b>	
	<b>Financing Authority</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>		
Pooled cash and investments	\$ 177	\$ 17,506,092
Receivables:		
Taxes	-	144,647
Accrued interest	-	45,121
Due from other governments	-	970,494
<b>Total Assets</b>	<b>\$ 177</b>	<b>\$ 18,666,354</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 213,216
Due to other governments	-	1,572,557
Due to other funds	-	6,057
Advances from other funds	-	2,382,315
<b>Total Liabilities</b>	<b>-</b>	<b>4,174,145</b>
<b>Deferred Inflow of Resources:</b>		
Unavailable revenues	-	874,054
<b>Fund Balances:</b>		
<b>Restricted for:</b>		
Planning and development projects	-	917,413
Public safety	-	401,557
Community services	-	10,016,652
Public works	-	2,033,627
Capital projects	177	4,204,168
<b>Unassigned</b>	<b>-</b>	<b>(3,955,262)</b>
<b>Total Fund Balances</b>	<b>177</b>	<b>13,618,155</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 177</b>	<b>\$ 18,666,354</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Gas Tax</u>	<u>Library and Museum</u>	<u>Federal Assistance</u>	<u>SLESA</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	1,002,529	2,626,417	187,282	156,083
Use of money and property	3,651	36,102	-	89
Developer participation	-	-	-	-
Miscellaneous	46,243	-	-	-
<b>Total Revenues</b>	<u>1,052,423</u>	<u>2,662,519</u>	<u>187,282</u>	<u>156,172</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	83,095
Planning and development	-	-	-	-
Community services	-	1,705,560	-	-
Public works	1,108,502	-	18,360	-
Capital outlay	-	532,125	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>1,108,502</u>	<u>2,237,685</u>	<u>18,360</u>	<u>83,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56,079)</u>	<u>424,834</u>	<u>168,922</u>	<u>73,077</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	293,500	-	-	-
Transfers out	(187,507)	-	(168,922)	-
<b>Total Other Financing Sources (Uses)</b>	<u>105,993</u>	<u>-</u>	<u>(168,922)</u>	<u>-</u>
Net Change in Fund Balances	49,914	424,834	-	73,077
Fund Balances, Beginning of Year	<u>327,540</u>	<u>4,486,875</u>	<u>-</u>	<u>(14,439)</u>
<b>Fund Balances, End of Year</b>	<u>\$ 377,454</u>	<u>\$ 4,911,709</u>	<u>\$ -</u>	<u>\$ 58,638</u>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Indian Gaming	Lighting and Landscaping	Quimby	Public Safety
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	950,541	-	-
Intergovernmental	-	-	-	-
Use of money and property	-	1,899	38,169	295
Developer participation	-	-	15,138	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>952,440</b>	<b>53,307</b>	<b>295</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and development	-	-	-	-
Community services	-	-	-	-
Public works	-	1,395,988	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>1,395,988</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(443,548)	53,307	295
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	490,000	-	2,000
Transfers out	(38,048)	-	(462,938)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(38,048)</b>	<b>490,000</b>	<b>(462,938)</b>	<b>2,000</b>
Net Change in Fund Balances	(38,048)	46,452	(409,631)	2,295
Fund Balances, Beginning of Year	38,048	364,173	5,005,547	38,148
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 410,625</b>	<b>\$ 4,595,916</b>	<b>\$ 40,443</b>



CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Art in Public Places	South Coast Air Quality	AB 939	Development Agreement
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 54,111	\$ -
Assessments	-	-	-	-
Intergovernmental	-	51,892	10,377	-
Use of money and property	4,034	2,004	5,811	1,611
Developer participation	32,607	-	-	-
Miscellaneous	6,750	-	-	-
<b>Total Revenues</b>	<b>43,391</b>	<b>53,896</b>	<b>70,299</b>	<b>1,611</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and development	-	38,920	17,901	-
Community services	14,686	-	-	-
Public works	-	-	-	-
Capital outlay	70,012	91,566	-	80,996
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>84,698</b>	<b>130,486</b>	<b>17,901</b>	<b>80,996</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,307)	(76,590)	52,398	(79,385)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(41,307)	(76,590)	52,398	(79,385)
Fund Balances, Beginning of Year	550,334	166,246	774,261	136,215
<b>Fund Balances, End of Year</b>	<b>\$ 509,027</b>	<b>\$ 89,656</b>	<b>\$ 826,659</b>	<b>\$ 56,830</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Law Enforcement	Justice Assistance Grant	Measure A	Transportation Uniform Mitigation Fee
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 761,137	\$ -
Assessments	-	-	-	-
Intergovernmental	18,040	-	-	-
Use of money and property	(1,326)	-	7,219	7
Developer participation	-	-	-	-
Miscellaneous	-	-	11,147	-
<b>Total Revenues</b>	<u>16,714</u>	<u>-</u>	<u>779,503</u>	<u>7</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	21,548	-	-	-
Planning and development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>21,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,834)</u>	<u>-</u>	<u>779,503</u>	<u>7</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	300,000	-	-	-
Transfers out	-	-	(388,747)	-
<b>Total Other Financing Sources (Uses)</b>	<u>300,000</u>	<u>-</u>	<u>(388,747)</u>	<u>-</u>
Net Change in Fund Balances	295,166	-	390,756	7
Fund Balances, Beginning of Year	<u>7,310</u>	<u>(268)</u>	<u>854,792</u>	<u>1,091</u>
<b>Fund Balances, End of Year</b>	<u>\$ 302,476</u>	<u>\$ (268)</u>	<u>\$ 1,245,548</u>	<u>\$ 1,098</u>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

	<b>Capital Projects Funds</b>			
	<b>Infrastructure</b>	<b>Transportation</b>	<b>Parks and Recreation</b>	<b>Library Development</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	182	30,144	(6,762)	-
Developer participation	-	509,221	335,872	56,416
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>182</b>	<b>539,365</b>	<b>329,110</b>	<b>56,416</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and development	-	-	-	-
Community services	-	-	-	-
Public works	-	400,000	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	19,138
<b>Total Expenditures</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>19,138</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	182	139,365	329,110	37,278
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(697,811)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(697,811)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	182	(558,446)	329,110	37,278
Fund Balances, Beginning of Year	23,732	3,656,826	558,795	(1,609,835)
<b>Fund Balances, End of Year</b>	<b>\$ 23,914</b>	<b>\$ 3,098,380</b>	<b>\$ 887,905</b>	<b>\$ (1,572,557)</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

	<b>Capital Projects Funds</b>			
	<b>Community Center</b>	<b>Street Facility</b>	<b>Park Facility</b>	<b>Fire Facility</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	837	-	10	-
Developer participation	21,156	20,782	6,560	66,456
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>21,993</b>	<b>20,782</b>	<b>6,570</b>	<b>66,456</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	21,296	-	4,634
<b>Total Expenditures</b>	<b>-</b>	<b>21,296</b>	<b>-</b>	<b>4,634</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,993	(514)	6,570	61,822
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	6,567	-	-
Transfers out	-	-	(6,567)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>6,567</b>	<b>(6,567)</b>	<b>-</b>
Net Change in Fund Balances	21,993	6,053	3	61,822
Fund Balances, Beginning of Year	114,964	(1,897,647)	2	(552,665)
<b>Fund Balances, End of Year</b>	<b>\$ 136,957</b>	<b>\$ (1,891,594)</b>	<b>\$ 5</b>	<b>\$ (490,843)</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

	<u>Debt Service Funds</u>	
	<u>Financing Authority</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>		
Taxes	\$ -	\$ 815,248
Assessments	-	950,541
Intergovernmental	-	4,052,620
Use of money and property	671,451	795,427
Developer participation	-	1,064,208
Miscellaneous	-	64,140
<b>Total Revenues</b>	<u>671,451</u>	<u>7,742,184</u>
<b>Expenditures:</b>		
Current:		
General government	3,133	3,133
Public safety	-	104,643
Planning and development	-	56,821
Community services	-	1,720,246
Public works	-	2,922,850
Capital outlay	-	774,699
Debt service:		
Principal retirement	615,000	615,000
Interest and fiscal charges	53,141	98,209
<b>Total Expenditures</b>	<u>671,274</u>	<u>6,295,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>177</u>	<u>1,446,583</u>
<b>Other Financing Sources (Uses):</b>		
Transfers in	95	1,092,162
Transfers out	-	(1,950,540)
<b>Total Other Financing Sources (Uses)</b>	<u>95</u>	<u>(858,378)</u>
Net Change in Fund Balances	272	588,205
Fund Balances, Beginning of Year	<u>(95)</u>	<u>13,029,950</u>
<b>Fund Balances, End of Year</b>	<u>\$ 177</u>	<u>\$ 13,618,155</u>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
STATE GAS TAX  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 327,540	\$ 327,540	\$ 327,540	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	1,119,900	1,119,900	1,002,529	(117,371)
Use of money and property	2,000	2,000	3,651	1,651
Miscellaneous	-	-	46,243	46,243
Transfers in	293,500	293,500	293,500	-
<b>Amounts Available for Appropriations</b>	<b>1,742,940</b>	<b>1,742,940</b>	<b>1,673,463</b>	<b>(69,477)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public works	1,204,500	1,211,740	1,108,502	103,238
Transfers out	230,500	230,500	187,507	42,993
<b>Total Charges to Appropriations</b>	<b>1,435,000</b>	<b>1,442,240</b>	<b>1,296,009</b>	<b>146,231</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 307,940</b>	<b>\$ 300,700</b>	<b>\$ 377,454</b>	<b>\$ 76,754</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LIBRARY AND MUSEUM  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,486,875	\$ 4,486,875	\$ 4,486,875	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	2,244,000	2,244,000	2,626,417	382,417
Use of money and property	10,000	10,000	36,102	26,102
<b>Amounts Available for Appropriations</b>	<b>6,740,875</b>	<b>6,740,875</b>	<b>7,149,394</b>	<b>408,519</b>
<b>Charges to Appropriation (OutFlows):</b>				
Community services	1,947,500	1,994,500	1,705,560	288,940
Capital Outlay	-	530,000	532,125	(2,125)
<b>Total Charges to Appropriations</b>	<b>1,947,500</b>	<b>2,524,500</b>	<b>2,237,685</b>	<b>286,815</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,793,375</b>	<b>\$ 4,216,375</b>	<b>\$ 4,911,709</b>	<b>\$ 695,334</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
FEDERAL ASSISTANCE  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	125,800	189,089	187,282	(1,807)
<b>Amounts Available for Appropriations</b>	<b>125,800</b>	<b>189,089</b>	<b>187,282</b>	<b>(1,807)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public Works	20,200	20,200	18,360	1,840
Transfers out	105,600	168,889	168,922	(33)
<b>Total Charges to Appropriations</b>	<b>125,800</b>	<b>189,089</b>	<b>187,282</b>	<b>1,807</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

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YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (14,439)	\$ (14,439)	\$ (14,439)	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	100,000	100,000	156,083	56,083
Use of money and property	100	100	89	(11)
<b>Amounts Available for Appropriations</b>	<b>85,661</b>	<b>85,661</b>	<b>141,733</b>	<b>56,072</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public safety	100,000	100,000	83,095	16,905
<b>Total Charges to Appropriations</b>	<b>100,000</b>	<b>100,000</b>	<b>83,095</b>	<b>16,905</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (14,339)</b>	<b>\$ (14,339)</b>	<b>\$ 58,638</b>	<b>\$ 72,977</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LIGHTING AND LANDSCAPING  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 364,173	\$ 364,173	\$ 364,173	\$ -
<b>Resources (InFlows):</b>				
Assessments	958,900	958,900	950,541	(8,359)
Use of money and property	-	-	1,899	1,899
Transfers in	490,000	490,000	490,000	-
<b>Amounts Available for Appropriations</b>	<b>1,813,073</b>	<b>1,813,073</b>	<b>1,806,612</b>	<b>(6,461)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public works	1,519,300	1,527,920	1,395,987	131,933
<b>Total Charges to Appropriations</b>	<b>1,519,300</b>	<b>1,527,920</b>	<b>1,395,987</b>	<b>131,933</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 293,773</b>	<b>\$ 285,153</b>	<b>\$ 410,625</b>	<b>\$ 125,472</b>

CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 QUIMBY  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,005,547	\$ 5,005,547	\$ 5,005,547	\$ -
<b>Resources (InFlows):</b>				
Investment income	15,000	15,000	38,169	23,169
Developer participation	40,000	40,000	15,138	(24,862)
<b>Amounts Available for Appropriations</b>	<b>5,060,547</b>	<b>5,060,547</b>	<b>5,058,854</b>	<b>(1,693)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Transfers out	-	4,013,078	462,938	3,550,140
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>4,013,078</b>	<b>462,938</b>	<b>3,550,140</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,060,547</b>	<b>\$ 1,047,469</b>	<b>\$ 4,595,916</b>	<b>\$ 3,548,447</b>

**CITY OF LA QUINTA, CALIFORNIA**

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 38,148	\$ 38,148	\$ 38,148	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	100	100	295	195
Transfers in	2,000	2,000	2,000	-
<b>Amounts Available for Appropriations</b>	<b>40,248</b>	<b>40,248</b>	<b>40,443</b>	<b>195</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 40,248</b>	<b>\$ 40,248</b>	<b>\$ 40,443</b>	<b>\$ 195</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
ART IN PUBLIC PLACES  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 550,334	\$ 550,334	\$ 550,334	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	3,500	3,500	4,034	534
Developer participation	50,000	35,000	32,607	(2,393)
Miscellaneous revenue	-	6,700	6,750	50
<b>Amounts Available for Appropriations</b>	<b>603,834</b>	<b>595,534</b>	<b>593,725</b>	<b>(1,809)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Community services	22,000	22,000	14,686	7,314
Capital outlay	100,000	100,000	70,012	29,988
Transfers out	-	200,000	-	200,000
<b>Total Charges to Appropriations</b>	<b>122,000</b>	<b>322,000</b>	<b>84,698</b>	<b>237,302</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 481,834</b>	<b>\$ 273,534</b>	<b>\$ 509,027</b>	<b>\$ 235,493</b>

**CITY OF LA QUINTA, CALIFORNIA**

**BUDGETARY COMPARISON SCHEDULE  
SOUTH COAST AIR QUALITY  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 166,246	\$ 166,246	\$ 166,246	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	50,000	50,000	51,892	1,892
Use of money and property	300	300	2,004	1,704
<b>Amounts Available for Appropriations</b>	<b>216,546</b>	<b>216,546</b>	<b>220,142</b>	<b>3,596</b>
<b>Charges to Appropriation (OutFlows):</b>				
Planning and development	32,000	119,000	130,486	(11,486)
<b>Total Charges to Appropriations</b>	<b>32,000</b>	<b>119,000</b>	<b>130,486</b>	<b>(11,486)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 184,546</b>	<b>\$ 97,546</b>	<b>\$ 89,656</b>	<b>\$ (7,890)</b>

CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

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YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 774,261	\$ 774,261	\$ 774,261	\$ -
<b>Resources (InFlows):</b>				
Taxes	60,000	60,000	54,111	(5,889)
Intergovernmental	-	-	10,377	10,377
Use of money and property	2,500	2,500	5,811	3,311
<b>Amounts Available for Appropriations</b>	<b>836,761</b>	<b>836,761</b>	<b>844,560</b>	<b>7,799</b>
<b>Charges to Appropriation (OutFlows):</b>				
Planning and development	20,000	20,000	17,901	2,099
<b>Total Charges to Appropriations</b>	<b>20,000</b>	<b>20,000</b>	<b>17,901</b>	<b>2,099</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 816,761</b>	<b>\$ 816,761</b>	<b>\$ 826,659</b>	<b>\$ 9,898</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LAW ENFORCEMENT  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,310	\$ 7,310	\$ 7,310	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	-	18,300	18,040	(260)
Use of money and property	-	-	(1,326)	(1,326)
Transfer In	300,000	300,000	300,000	-
<b>Amounts Available for Appropriations</b>	<b>307,310</b>	<b>325,610</b>	<b>324,024</b>	<b>(1,586)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public safety	-	6,000	21,548	(15,548)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>6,000</b>	<b>21,548</b>	<b>(15,548)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 307,310</b>	<b>\$ 319,610</b>	<b>\$ 302,476</b>	<b>\$ (17,134)</b>



**CITY OF LA QUINTA, CALIFORNIA**

**BUDGETARY COMPARISON SCHEDULE  
JUSTICE ASSISTANCE GRANT  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (268)	\$ (268)	\$ (268)	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	-	-	-	-
Use of money and property	-	-	-	-
<b>Amounts Available for Appropriations</b>	<b>(268)</b>	<b>(268)</b>	<b>(268)</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (268)</b>	<b>\$ (268)</b>	<b>\$ (268)</b>	<b>\$ -</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE A  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 854,792	\$ 854,792	\$ 854,792	\$ -
<b>Resources (InFlows):</b>				
Taxes	724,500	724,500	761,137	36,637
Use of money and property	-	-	7,219	7,219
Miscellaneous revenue	-	11,000	11,147	147
<b>Amounts Available for Appropriations</b>	<b>1,579,292</b>	<b>1,590,292</b>	<b>1,634,295</b>	<b>44,003</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public Works	-	11,000	-	(11,000)
Transfers out	787,000	1,827,604	388,747	1,438,857
<b>Total Charges to Appropriations</b>	<b>787,000</b>	<b>1,838,604</b>	<b>388,747</b>	<b>1,427,857</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 792,292</b>	<b>\$ (248,312)</b>	<b>\$ 1,245,548</b>	<b>\$ 1,493,860</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENT  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (178,798)	\$ (178,798)	\$ (178,798)	\$ -
<b>Resources (InFlows):</b>				
Intergovernmental	-	21,084,275	730,412	(20,353,863)
Use of money and property	-	-	(9,486)	(9,486)
Developer participation	-	874,491	324,943	(549,548)
Transfers in	8,423,900	26,947,279	6,302,130	(20,645,149)
<b>Amounts Available for Appropriations</b>	<b>8,245,102</b>	<b>48,727,247</b>	<b>7,169,201</b>	<b>(41,558,046)</b>
<b>Charges to Appropriation (OutFlows):</b>				
Planning and development	-	-	126,009	(126,009)
Capital outlay	8,614,400	48,708,066	7,390,754	41,317,312
<b>Total Charges to Appropriations</b>	<b>8,614,400</b>	<b>48,708,066</b>	<b>7,516,763</b>	<b>41,191,303</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (369,298)</b>	<b>\$ 19,181</b>	<b>\$ (347,562)</b>	<b>\$ (366,743)</b>

CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 CIVIC CENTER  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (7,169,261)	\$ (7,169,261)	\$ (7,169,261)	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	-	-	17	17
Developer participation	100,000	120,000	145,477	25,477
<b>Amounts Available for Appropriations</b>	<b>(7,069,261)</b>	<b>(7,049,261)</b>	<b>(7,023,767)</b>	<b>25,494</b>
<b>Charges to Appropriation (OutFlows):</b>				
Debt service:				
Interest and fiscal charges	-	56,000	79,286	(23,286)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>56,000</b>	<b>79,286</b>	<b>(23,286)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (7,069,261)</b>	<b>\$ (7,105,261)</b>	<b>\$ (7,103,053)</b>	<b>\$ 2,208</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,656,826	\$ 3,656,826	\$ 3,656,826	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	19,000	19,000	30,144	11,144
Developer participation	350,000	396,000	509,221	113,221
<b>Amounts Available for Appropriations</b>	<b>4,025,826</b>	<b>4,071,826</b>	<b>4,196,191</b>	<b>124,365</b>
<b>Charges to Appropriation (OutFlows):</b>				
Public Works	400,000	400,000	400,000	-
Transfers out	605,100	3,037,525	697,811	2,339,714
<b>Total Charges to Appropriations</b>	<b>1,005,100</b>	<b>3,437,525</b>	<b>1,097,811</b>	<b>2,339,714</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,020,726</b>	<b>\$ 634,301</b>	<b>\$ 3,098,380</b>	<b>\$ 2,464,079</b>

**CITY OF LA QUINTA, CALIFORNIA**

**BUDGETARY COMPARISON SCHEDULE  
PARKS AND RECREATION  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 558,795	\$ 558,795	\$ 558,795	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	-	-	(6,762)	(6,762)
Developer participation	200,000	254,000	335,872	81,872
<b>Amounts Available for Appropriations</b>	<b>758,795</b>	<b>812,795</b>	<b>887,905</b>	<b>75,110</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 758,795</b>	<b>\$ 812,795</b>	<b>\$ 887,905</b>	<b>\$ 75,110</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LIBRARY DEVELOPMENT  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,609,835)	\$ (1,609,835)	\$ (1,609,835)	\$ -
<b>Resources (InFlows):</b>				
Developer participation	30,000	43,000	56,416	13,416
<b>Amounts Available for Appropriations</b>	<b>(1,579,835)</b>	<b>(1,566,835)</b>	<b>(1,553,419)</b>	<b>13,416</b>
<b>Charges to Appropriation (OutFlows):</b>				
Debt service:				
Interest and fiscal charges	-	14,000	19,138	(5,138)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>14,000</b>	<b>19,138</b>	<b>(5,138)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (1,579,835)</b>	<b>\$ (1,580,835)</b>	<b>\$ (1,572,557)</b>	<b>\$ 8,278</b>

CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY CENTER  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 114,964	\$ 114,964	\$ 114,964	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	400	400	837	437
Developer participation	15,000	15,000	21,156	6,156
<b>Amounts Available for Appropriations</b>	<b>130,364</b>	<b>130,364</b>	<b>136,957</b>	<b>6,593</b>
<b>Charges to Appropriation (OutFlows):</b>				
Transfers out	101,600	101,600	-	(101,600)
<b>Total Charges to Appropriations</b>	<b>101,600</b>	<b>101,600</b>	<b>-</b>	<b>(101,600)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 28,764</b>	<b>\$ 28,764</b>	<b>\$ 136,957</b>	<b>\$ 108,193</b>



CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 STREET FACILITY  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,897,647)	\$ (1,897,647)	\$ (1,897,647)	\$ -
<b>Resources (InFlows):</b>				
Developer participation	15,000	15,000	20,782	5,782
Transfers in	-	5,000	6,567	1,567
<b>Amounts Available for Appropriations</b>	<b>(1,882,647)</b>	<b>(1,877,647)</b>	<b>(1,870,298)</b>	<b>7,349</b>
<b>Charges to Appropriation (OutFlows):</b>				
Debt service:				
Interest and fiscal charges	-	15,000	21,296	(6,296)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>15,000</b>	<b>21,296</b>	<b>(6,296)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (1,882,647)</b>	<b>\$ (1,892,647)</b>	<b>\$ (1,891,594)</b>	<b>\$ 1,053</b>

CITY OF LA QUINTA, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 PARK FACILITY  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2	\$ 2	\$ 2	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	-	-	10	10
Developer participation	4,000	4,000	6,560	2,560
<b>Amounts Available for Appropriations</b>	<b>4,002</b>	<b>4,002</b>	<b>6,572</b>	<b>2,570</b>
<b>Charges to Appropriation (OutFlows):</b>				
Debt service:				
Interest and fiscal charges	-	5,000	6,567	(1,567)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>5,000</b>	<b>6,567</b>	<b>(1,567)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,002</b>	<b>\$ (998)</b>	<b>\$ 5</b>	<b>\$ 1,003</b>

CITY OF LA QUINTA, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
FIRE FACILITY  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (552,665)	\$ (552,665)	\$ (552,665)	\$ -
<b>Resources (InFlows):</b>				
Developer participation	40,000	55,000	66,456	11,456
<b>Amounts Available for Appropriations</b>	<b>(512,665)</b>	<b>(497,665)</b>	<b>(486,209)</b>	<b>11,456</b>
<b>Charges to Appropriation (OutFlows):</b>				
Debt service:				
Interest and fiscal charges	-	3,000	4,634	(1,634)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>3,000</b>	<b>4,634</b>	<b>(1,634)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (512,665)</b>	<b>\$ (500,665)</b>	<b>\$ (490,843)</b>	<b>\$ 9,822</b>

**CITY OF LA QUINTA, CALIFORNIA**

**BUDGETARY COMPARISON SCHEDULE  
FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (95)	\$ (95)	\$ (95)	\$ -
<b>Resources (InFlows):</b>				
Use of money and property	671,400	671,400	671,451	51
Transfers in	-	-	95	95
<b>Amounts Available for Appropriations</b>	<b>671,305</b>	<b>671,305</b>	<b>671,451</b>	<b>146</b>
<b>Charges to Appropriation (OutFlows):</b>				
General government	3,300	3,300	3,133	167
Debt service:				
Principal retirement	615,000	615,000	615,000	-
Interest and fiscal charges	53,100	53,100	53,141	(41)
<b>Total Charges to Appropriations</b>	<b>671,400</b>	<b>671,400</b>	<b>671,274</b>	<b>126</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (95)</b>	<b>\$ (95)</b>	<b>\$ 177</b>	<b>\$ 272</b>

## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for activities involved in rendering services to departments within the City. Costs of materials and services used are accumulated in this fund and charged to the user departments as such goods are delivered or services rendered.

The City of La Quinta has the following Internal Service Funds:

Equipment Replacement Fund – To account for the operational maintenance and ultimate replacement of City owned and operated vehicles and equipment.

Information Technology Fund – To account for the purchase and replacement of information systems.

Park Equipment and Facilities Fund – To account for the purchase and replacement of City owned parked facility infrastructure.

Insurance Fund – To account for the City's insurance coverage.

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2018

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
<b>Assets:</b>					
Current:					
Cash and investments	\$ 2,830,200	\$ 774,169	\$ 3,107,175	\$ 1,247	\$ 6,712,791
Receivables:					
Accrued interest	7,582	1,800	8,214	462	18,058
Prepaid costs	-	28,986	-	614,146	643,132
<b>Total Current Assets</b>	<b>2,837,782</b>	<b>804,955</b>	<b>3,115,389</b>	<b>615,855</b>	<b>7,373,981</b>
Noncurrent:					
Capital assets - net of accumulated depreciation	1,456,498	376,159	13,148,195	-	14,980,852
<b>Total Assets</b>	<b>\$ 4,294,280</b>	<b>\$ 1,181,114</b>	<b>\$ 16,263,584</b>	<b>\$ 615,855</b>	<b>\$ 22,354,833</b>
<b>Liabilities and Net Position</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	\$ 11,102	\$ 57,406	\$ 52,698	\$ -	\$ 121,206
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	358,057	358,057
Current portion of capital leases	107,450	-	-	-	107,450
<b>Total Current Liabilities</b>	<b>118,552</b>	<b>57,406</b>	<b>52,698</b>	<b>358,057</b>	<b>586,713</b>
Noncurrent:					
Long-term portion of capital leases	531,173	5,112	-	-	536,285
<b>Total Liabilities</b>	<b>649,725</b>	<b>62,518</b>	<b>52,698</b>	<b>358,057</b>	<b>1,122,998</b>
<b>Net Position:</b>					
Net investment in capital assets	817,875	371,047	13,148,195	-	14,337,117
Unrestricted	2,826,680	747,549	3,062,691	257,798	6,894,718
<b>Total Net Position</b>	<b>3,644,555</b>	<b>1,118,596</b>	<b>16,210,886</b>	<b>257,798</b>	<b>21,231,835</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,294,280</b>	<b>\$ 1,181,114</b>	<b>\$ 16,263,584</b>	<b>\$ 615,855</b>	<b>\$ 22,354,833</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
<b>Operating Revenues:</b>					
Sales and service charges	\$ 564,000	\$ 750,142	\$ 300,000	\$ 989,000	\$ 2,603,142
<b>Operating Expenses:</b>					
Administration and general	86,573	73,206	1,000	323,931	484,710
Fuel and oil	54,198	-	-	-	54,198
Maintenance and parts	182,283	-	-	-	182,283
Contract services	-	323,106	299,363	-	622,469
Software and supplies	-	357,577	-	580,417	937,994
Depreciation expense	155,260	155,646	530,421	-	841,327
<b>Total Operating Expenses</b>	<b>478,314</b>	<b>909,535</b>	<b>830,784</b>	<b>904,348</b>	<b>3,122,981</b>
Operating Income (Loss)	85,686	(159,393)	(530,784)	84,652	(519,839)
<b>Nonoperating Revenue (Expenses):</b>					
Interest revenue	22,039	4,622	23,428	2,982	53,071
Miscellaneous revenue	13,379	-	-	3,986	17,365
Interest expense	-	(647)	-	-	(647)
Gain on disposal of capital assets	130,235	89,804	-	-	220,039
<b>Total Nonoperating Revenues (Expenses)</b>	<b>165,653</b>	<b>93,779</b>	<b>23,428</b>	<b>6,968</b>	<b>289,828</b>
Income (Loss) before transfers	251,339	(65,614)	(507,356)	91,620	(230,011)
Transfers out	(91,233)	-	-	-	(91,233)
Changes in Net Position	160,106	(65,614)	(507,356)	91,620	(321,244)
<b>Net Position:</b>					
Beginning of Year	3,484,449	1,184,210	16,718,242	166,178	21,553,079
<b>End of Fiscal Year</b>	<b>\$ 3,644,555</b>	<b>\$ 1,118,596</b>	<b>\$ 16,210,886</b>	<b>\$ 257,798</b>	<b>\$ 21,231,835</b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
<b>Cash Flows from Operating Activities:</b>					
Cash received from interfund services provided	\$ 564,000	\$ 750,142	\$ 300,000	\$ 987,871	\$ 2,602,013
Cash paid to suppliers for goods and services	(314,651)	(730,102)	(247,980)	(993,136)	(2,285,869)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>249,349</b>	<b>20,040</b>	<b>52,020</b>	<b>(5,265)</b>	<b>316,144</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital contributions	-	-	-	-	-
Acquisition and construction of capital assets	(606,194)	(101,160)	(58,530)	-	(765,884)
Interest paid on capital debt	-	(647)	-	-	(647)
Capital lease	210,995	(47,503)	-	-	163,492
Proceeds from sales of capital assets	130,235	89,804	-	-	220,039
<b>Net Cash Provided/(Used) for Capital and Related Financing Activities</b>	<b>(264,964)</b>	<b>(59,506)</b>	<b>(58,530)</b>	<b>-</b>	<b>(383,000)</b>
<b>Cash Flows from Non-Capital and Related Financing Activities:</b>					
Other receipts	-	-	-	3,986	3,986
<b>Cash Flows from Investing Activities</b>					
Interest received	(59,137)	3,847	19,597	2,526	\$ (33,167)
<b>Net Cash Provided by Investing Activities</b>	<b>(59,137)</b>	<b>3,847</b>	<b>19,597</b>	<b>2,526</b>	<b>(33,167)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(74,752)</b>	<b>(35,619)</b>	<b>13,087</b>	<b>1,247</b>	<b>(96,037)</b>
Cash and Cash Equivalents at Beginning of Year	2,904,952	809,788	3,094,088	-	6,808,828
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,830,200</b>	<b>\$ 774,169</b>	<b>\$ 3,107,175</b>	<b>\$ 1,247</b>	<b>\$ 6,712,791</b>
<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:</b>					
Operating income (loss)	\$ 85,686	\$ (159,393)	\$ (530,784)	\$ 84,652	\$ (519,839)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	155,260	155,646	530,421	-	841,327
(Increase) decrease in prepaid expenses	-	(11,742)	-	55,239	43,497
Increase (decrease) in accounts payable	8,403	36,331	52,383	-	97,117
Increase (decrease) in accrued liabilities	-	(802)	-	(1,129)	(1,931)
Increase (decrease) in due to other funds	-	-	-	(144,027)	(144,027)
<b>Total Adjustments</b>	<b>163,663</b>	<b>179,433</b>	<b>582,804</b>	<b>(89,917)</b>	<b>835,983</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 249,349</b>	<b>\$ 20,040</b>	<b>\$ 52,020</b>	<b>\$ (5,265)</b>	<b>\$ 316,144</b>

**Non-Cash Investing, Capital, and Financing Activities:**

There were no non-cash transactions in the current year.



## **AGENCY FUNDS**

Agency funds are used to account for assets held by the City as an agent for individual, private organizations and other governmental units. The agency funds and their purposes are as follows:

The City of La Quinta has the following agency funds:

Assessment District No. 97-1 and 2001-1 – To account for assessments paid to the City for debt services payments on bond issues used to finance sewer improvements.

**CITY OF LA QUINTA, CALIFORNIA**

**COMBINING STATEMENT OF NET POSITION  
ALL AGENCY FUNDS  
JUNE 30, 2018**

	<u>Assessment District No. 97-1</u>	<u>Assessment District No. 2001</u>	<u>Totals</u>
<b>Assets:</b>			
Pooled cash and investments	\$ 28,477	\$ 143,317	\$ 171,794
Receivables:			
Accrued interest	77	-	77
<b>Total Assets</b>	<b><u>\$ 28,554</u></b>	<b><u>\$ 143,317</u></b>	<b><u>\$ 171,871</u></b>
<b>Liabilities:</b>			
Deposits payable	<b><u>\$ 28,554</u></b>	<b><u>\$ 143,317</u></b>	<b><u>\$ 171,871</u></b>

CITY OF LA QUINTA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2018

	<u>Balance 7/1/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2018</u>
<b><u>Assessment District No. 97-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 29,051	\$ 1,111	\$ 1,687	\$ 28,475
Receivables:				
Taxes	733	-	733	-
<b>Total Assets</b>	<u>\$ 29,784</u>	<u>\$ 1,111</u>	<u>\$ 2,420</u>	<u>\$ 28,475</u>
<b>Liabilities:</b>				
Deposits payable	\$ 29,784	\$ -	\$ 1,309	\$ 28,475
<b>Total Liabilities</b>	<u>\$ 29,784</u>	<u>\$ -</u>	<u>\$ 1,309</u>	<u>\$ 28,475</u>
<b><u>Assessment District No. 2001-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 144,261	\$ -	\$ 946	\$ 143,315
Receivables:				
Taxes	-	-	-	-
<b>Total Assets</b>	<u>\$ 144,261</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ 143,315</u>
<b>Liabilities:</b>				
Deposits payable	\$ 144,261	\$ -	\$ 946	\$ 143,315
<b>Total Liabilities</b>	<u>\$ 144,261</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ 143,315</u>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 173,312	\$ 1,111	\$ 2,633	\$ 171,790
Receivables:				
Taxes	733	-	733	-
<b>Total Assets</b>	<u>\$ 174,045</u>	<u>\$ 1,111</u>	<u>\$ 3,366</u>	<u>\$ 171,790</u>
<b>Liabilities:</b>				
Deposits payable	\$ 174,045	\$ -	\$ 2,255	\$ 171,790
<b>Total Liabilities</b>	<u>\$ 174,045</u>	<u>\$ -</u>	<u>\$ 2,255</u>	<u>\$ 171,790</u>

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## STATISTICAL SECTION (UNAUDITED)

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	128
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources, general and Redevelopment property taxes.</i>	140
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	150
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	157
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	160

Sources: Unless otherwise noted, the information in these schedules was derived from the City's comprehensive annual financial reports for the relevant year.

CITY OF LA QUINTA

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 323,669,955	\$ 336,459,272	\$ 276,787,752	\$ 534,388,479	\$ 529,681,342
Restricted	105,297,168	96,332,870	107,042,126	26,585,382	49,598,397
Unrestricted	96,654,981	77,187,433	97,009,428	89,832,811	83,399,745
<b>Total Governmental Activities Net Position</b>	<b><u>525,622,104</u></b>	<b><u>509,979,575</u></b>	<b><u>480,839,306</u></b>	<b><u>650,806,672</u></b>	<b><u>662,679,484</u></b>
<b>Business-Type Activities:</b>					
Net investment in capital assets	42,536,608	42,879,482	42,491,051	42,105,683	41,741,443
Restricted	-	-	-	-	-
Unrestricted	(3,937,454)	(4,863,848)	(4,918,951)	(4,745,892)	(4,750,604)
<b>Total Business-Type Activities Net Position</b>	<b><u>38,599,154</u></b>	<b><u>38,015,634</u></b>	<b><u>37,572,100</u></b>	<b><u>37,359,791</u></b>	<b><u>36,990,839</u></b>
<b>Primary Government:</b>					
Net investment in capital assets	366,206,563	379,338,754	319,278,803	576,494,162	571,422,785
Restricted	105,297,168	96,332,870	107,042,126	26,585,382	49,598,397
Unrestricted	92,717,527	72,323,585	92,090,477	85,086,919	78,649,141
<b>Total Primary Government Net Position</b>	<b><u>564,221,258</u></b>	<b><u>547,995,209</u></b>	<b><u>518,411,406</u></b>	<b><u>688,166,463</u></b>	<b><u>699,670,323</u></b>

*Source: City of La Quinta*

2014	2015	2016	2017	2018	
					<b>Governmental Activities:</b>
\$ 527,614,666	\$ 523,495,389	\$ 516,499,682	\$ 517,039,487	\$ 510,913,594	Net investment in capital assets
53,669,248	62,472,221	61,148,731	38,824,860	39,204,789	Restricted
83,907,046	74,362,189	84,439,071	118,125,125	130,950,644	Unrestricted
<b>665,190,960</b>	<b>660,329,799</b>	<b>662,087,484</b>	<b>673,989,472</b>	<b>681,069,027</b>	<b>Total Governmental Activities Net Position</b>
					<b>Business-Type Activities:</b>
41,354,565	44,118,111	43,898,784	43,836,868	43,585,880	Net investment in capital assets
-	-	-	-	-	Restricted
(4,674,666)	(4,892,647)	(5,086,906)	(5,140,966)	(5,203,212)	Unrestricted
<b>36,679,899</b>	<b>39,225,464</b>	<b>38,811,878</b>	<b>38,695,902</b>	<b>38,382,668</b>	<b>Total Business-Type Activities Net Position</b>
					<b>Primary Government:</b>
568,969,231	567,613,500	560,398,466	560,876,355	554,499,474	Net investment in capital assets
53,669,248	62,472,221	61,148,731	38,824,860	39,263,604	Restricted
79,232,380	69,469,542	79,352,165	112,984,159	125,688,617	Unrestricted
<b>701,870,859</b>	<b>699,555,263</b>	<b>700,899,362</b>	<b>712,685,374</b>	<b>719,451,695</b>	<b>Total Primary Government Net Position</b>

CITY OF LA QUINTA

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Expenditures:</b>					
Governmental activities:					
General government	\$ 7,836,146	\$ 34,287,068	\$ 11,283,358	\$ 6,183,712	\$ 4,511,023
Public safety	19,736,941	21,274,519	21,070,458	20,815,454	21,047,691
Planning and development	7,317,689	5,173,326	18,715,283	6,378,352	2,274,541
Community services	14,808,850	15,923,380	4,735,964	5,093,402	4,986,104
Public works	11,100,833	12,326,726	10,757,279	13,288,521	11,803,133
Contribution to other agencies	-	-	31,324,064	-	-
Interest on long-term debt	15,631,438	15,330,603	14,353,359	3,021,496	447,048
Total governmental activities expenditures	76,431,897	104,315,622	112,239,765	54,780,937	45,069,540
Business-type activities:					
Golf course	4,440,546	4,169,768	4,202,274	4,085,282	4,208,855
Total business-type activities expenditures	4,440,546	4,169,768	4,202,274	4,085,282	4,208,855
<b>Total Primary Government Expenditures</b>	<b>80,872,443</b>	<b>108,485,390</b>	<b>116,442,039</b>	<b>58,866,219</b>	<b>49,278,395</b>
<b>Program Revenues:</b>					
Governmental activities:					
Charges for services:					
General government	25,053	21,439	47,696	86,869	38,812
Public safety	1,373,952	1,100,491	1,044,399	1,020,822	927,604
Planning and development	138,391	69,391	74,471	68,470	112,695
Community services	275,178	250,557	210,151	247,397	245,392
Public works	1,308,702	1,124,647	1,086,771	1,080,744	1,209,438
Operating grants and contributions	10,725,280	15,363,650	13,152,942	11,289,673	28,068,940
Capital grants and contributions	10,647,270	5,974,311	3,157,828	9,990,793	-
Total governmental activities program revenues	24,493,826	23,904,486	18,774,258	23,784,768	30,602,881
Business-type activities:					
Charges for services:					
Golf course	3,368,135	3,584,996	3,756,615	3,871,898	3,736,879
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	3,368,135	3,584,996	3,756,615	3,871,898	3,736,879
<b>Total Primary Government Program Revenues</b>	<b>27,861,961</b>	<b>27,489,482</b>	<b>22,530,873</b>	<b>27,656,666</b>	<b>34,339,760</b>
<b>Net Revenues (Expenditures):</b>					
Governmental activities	(51,938,071)	(80,411,136)	(93,465,507)	(30,996,169)	(14,466,659)
Business-type activities	(1,072,411)	(584,772)	(445,659)	(213,384)	(471,976)
<b>Total Net Revenues (Expenditures)</b>	<b>(53,010,482)</b>	<b>(80,995,908)</b>	<b>(93,911,166)</b>	<b>(31,209,553)</b>	<b>(14,938,635)</b>
<b>General Revenues and Other Changes in Net Position:</b>					
Governmental activities:					
Taxes:					
Property taxes	6,653,583	6,278,470	5,942,353	21,370,476	7,043,604
Tax increment	36,702,197	35,390,317	32,569,795	-	-
Transient occupancy taxes	4,480,467	4,265,438	4,737,968	5,446,883	5,980,684
Sales tax	7,279,513	6,927,388	7,323,835	7,713,741	7,833,545
Franchise taxes	1,533,249	1,585,427	1,607,829	1,687,440	1,669,476
Business license taxes	285,304	302,223	285,270	293,592	292,966
Other taxes	455,089	461,957	437,235	428,963	518,778
Motor vehicle in lieu, unrestricted	3,940,801	3,714,437	3,515,395	3,173,826	3,157,330
Investment income	7,387,244	5,362,684	4,693,974	1,925,255	1,605,718
Gain (loss) on sale of capital assets	21,542	2,330	-	-	28,551
Miscellaneous	118,567	477,936	3,211,584	268,644	192,509
Extraordinary gain/loss on dissolution of RDA	-	-	-	158,654,715	(2,189,984)
Transfers	-	-	-	-	-
Total governmental activities	68,857,556	64,768,607	64,325,238	200,963,535	26,133,177
Business-type activities:					
Investment income	3,074	1,252	2,125	1,075	2,225
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	100,799
Transfers	-	-	-	-	-
Total business-type activities	3,074	1,252	2,125	1,075	103,024
<b>Total Primary Government</b>	<b>68,860,630</b>	<b>64,769,859</b>	<b>64,327,363</b>	<b>200,964,610</b>	<b>26,236,201</b>
<b>Changes in Net Position</b>					
Governmental activities	16,919,485	(15,642,529)	(29,140,269)	169,967,366	11,666,518
Business-type activities	(1,069,337)	(583,520)	(443,534)	(212,309)	(368,952)
<b>Total Primary Government</b>	<b>15,850,148</b>	<b>(16,226,049)</b>	<b>(29,583,803)</b>	<b>169,755,057</b>	<b>11,297,566</b>

Source: City of La Quinta



TABLE 2

2014	2015	2016	2017	2018	
					<b>Expenditures:</b>
					Governmental activities:
\$ 4,830,239	\$ 5,166,732	\$ 5,645,004	\$ 5,565,727	\$ 8,869,174	General government
21,169,423	21,636,149	22,067,603	23,378,824	22,508,088	Public safety
3,098,015	2,212,013	3,359,732	2,882,321	4,352,134	Planning and development
4,130,085	5,992,362	6,214,098	6,584,268	9,231,268	Community services
12,610,994	18,116,732	12,157,245	10,927,160	15,580,975	Public works
-	-	-	-	-	Contribution to other agencies
405,977	340,716	343,129	309,463	1,468,971	Interest on long-term debt
46,244,733	53,464,704	49,786,811	49,647,763	62,010,610	Total governmental activities expenditures
					Business-type activities:
4,971,977	5,053,360	4,373,586	3,965,644	4,318,463	Golf course
4,971,977	5,053,360	4,373,586	3,965,644	4,318,463	Total business-type activities expenditures
<b>51,216,710</b>	<b>58,518,064</b>	<b>54,160,397</b>	<b>53,613,407</b>	<b>66,329,073</b>	<b>Total Primary Government Expenditures</b>
					<b>Program Revenues:</b>
					Governmental activities:
					Charges for services:
71,042	121,140	192,538	504,127	883,153	General government
1,412,819	1,655,421	1,378,704	341,368	367,848	Public safety
595,980	489,589	467,053	564,327	724,499	Planning and development
1,224,719	307,869	386,824	453,098	442,656	Community services
1,195,703	1,197,069	1,134,630	741,703	1,054,902	Public works
14,587,153	16,829,107	12,213,338	6,187,803	4,259,916	Operating grants and contributions
3,981,286	3,536,444	1,076,145	3,316,153	4,455,060	Capital grants and contributions
23,068,702	24,136,639	16,849,232	12,108,579	12,188,034	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
3,481,424	3,561,857	3,621,495	3,446,340	3,567,718	Golf course
-	2,872,122	-	-	-	Capital grants and contributions
3,481,424	6,433,979	3,621,495	3,446,340	3,567,718	Total business-type activities program revenues
<b>26,550,126</b>	<b>30,570,618</b>	<b>20,470,727</b>	<b>15,554,919</b>	<b>15,755,752</b>	<b>Total Primary Government Program Revenues</b>
					<b>Net Revenues (Expenditures):</b>
(23,176,031)	(29,328,065)	(32,937,579)	(37,539,184)	(49,822,576)	Governmental activities
(1,490,553)	1,380,619	(752,091)	(519,304)	(750,745)	Business-type activities
<b>(24,666,584)</b>	<b>(27,947,446)</b>	<b>(33,689,670)</b>	<b>(38,058,488)</b>	<b>(50,573,321)</b>	<b>Total Net Revenues (Expenditures)</b>
					<b>General Revenues and Other Changes in Net Position:</b>
					Governmental activities:
					Taxes:
9,193,753	8,776,491	8,798,296	15,521,335	15,887,015	Property taxes
-	-	-	-	-	Tax increment
6,307,737	6,637,183	7,835,745	9,433,970	10,752,788	Transient occupancy taxes
8,786,819	8,873,008	9,107,046	10,060,305	18,956,985	Sales tax
1,688,263	1,861,453	1,799,938	1,815,491	1,977,179	Franchise taxes
307,654	306,087	334,465	365,451	345,187	Business license taxes
580,834	530,336	516,964	585,333	718,472	Other taxes
3,291,042	3,486,367	3,651,549	3,813,213	3,941,348	Motor vehicle in lieu, unrestricted
2,190,357	1,981,343	2,390,468	442,710	803,654	Investment income
-	-	-	-	-	Gain (loss) on sale of capital assets
243,498	296,346	376,193	460,614	649,566	Miscellaneous
(6,402,450)	-	-	7,344,050	3,624,121	Extraordinary gain/loss on dissolution of RDA
(500,000)	(247,739)	(115,400)	(401,300)	(434,000)	Transfers
25,687,507	32,500,875	34,695,264	49,441,172	57,222,315	Total governmental activities
					Business-type activities:
1,567	2,043	4,282	2,028	3,511	Investment income
-	-	-	-	-	Gain (loss) on sale of capital assets
678,046	915,164	218,823	-	-	Miscellaneous
500,000	247,739	115,400	401,300	434,000	Transfers
1,179,613	1,164,946	338,505	403,328	437,511	Total business-type activities
<b>26,867,120</b>	<b>33,665,821</b>	<b>35,033,769</b>	<b>49,844,500</b>	<b>57,659,826</b>	<b>Total Primary Government</b>
					<b>Changes in Net Position</b>
2,511,476	3,172,810	1,757,685	11,901,988	7,399,739	Governmental activities
(310,940)	2,545,565	(413,586)	(115,976)	(313,234)	Business-type activities
<b>2,200,536</b>	<b>5,718,375</b>	<b>1,344,099</b>	<b>11,786,012</b>	<b>7,086,505</b>	<b>Total Primary Government</b>

CITY OF LA QUINTA

**Changes in Net Position - Governmental Activities**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Expenditures:</b>					
General government	\$ 7,836,146	\$ 34,287,068	\$ 11,283,358	\$ 6,183,712	\$ 4,511,023
Public safety	19,736,941	21,274,519	21,070,458	20,815,454	21,047,691
Planning and development	7,317,689	5,173,326	18,715,283	6,378,352	2,274,541
Community services	14,808,850	15,923,380	4,735,964	5,093,402	4,986,104
Public works	11,100,833	12,326,726	10,757,279	13,288,521	11,803,133
Contribution to other agencies	-	-	31,324,064	-	-
Interest on long-term debt	15,631,438	15,330,603	14,353,359	3,021,496	447,048
<b>Total Governmental Activities Expenditures</b>	<b>76,431,897</b>	<b>104,315,622</b>	<b>112,239,765</b>	<b>54,780,937</b>	<b>45,069,540</b>
<b>Program Revenues:</b>					
Charges for services:					
General government	25,053	21,439	47,696	86,869	38,812
Public safety	1,373,952	1,100,491	1,044,399	1,020,822	927,604
Planning and development	138,391	69,391	74,471	68,470	112,695
Community services	275,178	250,557	210,151	247,397	245,392
Public works	1,308,702	1,124,647	1,086,771	1,080,744	1,209,438
Operating grants and contributions	10,725,280	15,363,650	13,152,942	11,289,673	28,068,940
Capital grants and contributions	10,647,270	5,974,311	3,157,828	9,990,793	4,115,238
<b>Total Governmental Activities Program Revenue</b>	<b>24,493,826</b>	<b>23,904,486</b>	<b>18,774,258</b>	<b>23,784,768</b>	<b>34,718,119</b>
<b>Net Revenues (Expenditures)</b>	<b>(51,938,071)</b>	<b>(80,411,136)</b>	<b>(93,465,507)</b>	<b>(30,996,169)</b>	<b>(10,351,421)</b>
<b>General Revenues and Other Changes in Net Position:</b>					
Taxes:					
Property taxes	6,653,583	6,278,470	5,942,353	21,370,476	7,043,604
Tax increment	36,702,197	35,390,317	32,569,795	-	-
Transient occupancy taxes	4,480,467	4,265,438	4,737,968	5,446,883	5,980,684
Sales tax	7,279,513	6,927,388	7,323,835	7,713,741	7,833,545
Franchise tax	1,533,249	1,585,427	1,607,829	1,687,440	1,669,476
Business license taxes	285,304	302,223	285,270	293,592	292,966
Other tax	455,089	461,957	437,235	428,963	518,778
Motor vehicle in lieu, unrestricted	3,940,801	3,714,437	3,515,395	3,173,826	3,157,330
Investment income	7,387,244	5,362,684	4,693,974	1,925,255	1,605,718
Gain (loss) on sale of capital assets	21,542	2,330	-	-	28,551
Miscellaneous	118,567	477,936	3,211,584	268,644	192,509
Extraordinary gain/loss on dissolution of RDA	-	-	-	158,654,715	(2,189,984)
Transfers	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>68,857,556</b>	<b>64,768,607</b>	<b>64,325,238</b>	<b>200,963,535</b>	<b>26,133,177</b>
<b>Changes in Net Position</b>	<b>16,919,485</b>	<b>(15,642,529)</b>	<b>(29,140,269)</b>	<b>169,967,366</b>	<b>15,781,756</b>

Source: City of La Quinta

2014	2015	2016	2017	2018	
					<b>Expenditures:</b>
\$ 4,830,239	\$ 5,166,732	\$ 5,645,004	\$ 5,565,727	\$ 8,869,174	General government
21,169,423	21,636,149	22,067,603	23,378,824	22,508,088	Public safety
3,098,015	2,212,013	3,359,732	2,882,321	4,352,134	Planning and development
4,130,085	5,992,362	6,214,098	6,584,268	9,231,268	Community services
12,610,994	18,116,732	12,157,245	10,927,160	15,580,975	Public works
-	-	-	-	-	Contribution to other agencies
405,977	340,716	343,129	309,463	1,468,971	Interest on long-term debt
<b>46,244,733</b>	<b>53,464,704</b>	<b>49,786,811</b>	<b>49,647,763</b>	<b>62,010,610</b>	<b>Total Governmental Activities Expenditures</b>
					<b>Program Revenues:</b>
					Charges for services:
71,042	121,140	192,538	504,127	883,153	General government
1,412,819	1,655,421	1,378,704	341,368	367,848	Public safety
595,980	489,589	467,053	564,327	724,499	Planning and development
1,224,719	307,869	386,824	453,098	442,656	Community services
1,195,703	1,197,069	1,134,630	741,703	1,054,902	Public works
14,587,153	16,829,107	12,213,338	6,187,803	4,259,916	Operating grants and contributions
3,981,286	3,536,444	1,076,145	3,316,153	4,455,060	Capital grants and contributions
<b>23,068,702</b>	<b>24,136,639</b>	<b>16,849,232</b>	<b>12,108,579</b>	<b>12,188,034</b>	<b>Total Governmental Activities Program Revenues</b>
<b>(23,176,031)</b>	<b>(29,328,065)</b>	<b>(32,937,579)</b>	<b>(37,539,184)</b>	<b>(49,822,576)</b>	<b>Net Revenues (Expenditures)</b>
					<b>General Revenues and Other Changes in Net Position:</b>
					Taxes:
9,193,753	8,776,491	8,798,296	15,521,335	15,887,015	Property taxes
-	-	-	-	-	Tax increment
6,307,737	6,637,183	7,835,745	9,433,970	10,752,788	Transient occupancy taxes
8,786,819	8,873,008	9,107,046	10,060,305	18,956,985	Sales tax
1,688,263	1,861,453	1,799,938	1,815,491	1,977,179	Franchise tax
307,654	306,087	334,465	365,451	345,187	Business license taxes
580,834	530,336	516,964	585,333	718,472	Other tax
3,291,042	3,486,367	3,651,549	3,813,213	3,941,348	Motor vehicle in lieu, unrestricted
2,190,357	1,981,343	2,390,468	442,710	803,654	Investment income
-	-	376,193	460,614	649,566	Gain (loss) on sale of capital assets
243,498	296,346	-	-	-	Miscellaneous
(6,402,450)	-	-	7,344,050	3,624,121	Extraordinary gain/loss on dissolution of RDA
(500,000)	(247,739)	(115,400)	(401,300)	(434,000)	Transfers
<b>25,687,507</b>	<b>32,500,875</b>	<b>34,695,264</b>	<b>49,441,172</b>	<b>57,222,315</b>	<b>Total Governmental Activities</b>
<b>2,511,476</b>	<b>3,172,810</b>	<b>1,757,685</b>	<b>11,901,988</b>	<b>7,399,739</b>	<b>Changes in Net Position</b>

CITY OF LA QUINTA

**Changes in Net Position - Business-type Activities  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Expenditures:</b>					
Golf course	\$ 4,440,546	\$ 4,169,768	\$ 4,202,274	\$ 4,085,282	\$ 4,208,855
<b>Total Business-Type Activities Expenditures</b>	<b>4,440,546</b>	<b>4,169,768</b>	<b>4,202,274</b>	<b>4,085,282</b>	<b>4,208,855</b>
<b>Program revenues:</b>					
Charges for services:					
Golf course	3,368,135	3,584,996	3,756,615	3,871,898	3,736,879
Capital grants and contributions	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>3,368,135</b>	<b>3,584,996</b>	<b>3,756,615</b>	<b>3,871,898</b>	<b>3,736,879</b>
<b>Net Revenues (Expenditures)</b>	<b>(1,072,411)</b>	<b>(584,772)</b>	<b>(445,659)</b>	<b>(213,384)</b>	<b>(471,976)</b>
<b>General Revenues and Other Changes in Net Position:</b>					
Investment income	3,074	1,252	2,125	1,075	2,225
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	100,799
Transfers	-	-	-	-	-
Capital contributions	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>3,074</b>	<b>1,252</b>	<b>2,125</b>	<b>1,075</b>	<b>103,024</b>
<b>Changes in Net Position</b>	<b>(1,069,337)</b>	<b>(583,520)</b>	<b>(443,534)</b>	<b>(212,309)</b>	<b>(368,952)</b>

Source: City of La Quinta

2014	2015	2016	2017	2018	
\$ 4,971,977	\$ 5,053,360	\$ 4,373,586	\$ 3,965,644	\$ 4,318,463	<b>Expenditures:</b>
					Golf course
<b>4,971,977</b>	<b>5,053,360</b>	<b>4,373,586</b>	<b>3,965,644</b>	<b>4,318,463</b>	<b>Total Business-Type Activities Expenditures</b>
					<b>Program revenues:</b>
					Charges for services:
3,481,424	3,561,857	3,621,495	3,446,340	3,567,718	Golf course
-	2,872,122	-	-	-	Capital grants and contributions
<b>3,481,424</b>	<b>6,433,979</b>	<b>3,621,495</b>	<b>3,446,340</b>	<b>3,567,718</b>	<b>Total Business-Type Activities Program Revenues</b>
<b>(1,490,553)</b>	<b>1,380,619</b>	<b>(752,091)</b>	<b>(519,304)</b>	<b>(750,745)</b>	<b>Net Revenues (Expenditures)</b>
					<b>General Revenues and Other Changes in Net Position:</b>
1,567	2,043	4,282	2,028	3,511	Investment income
-	-	-	-	-	Gain (loss) on sale of capital assets
678,046	915,164	218,823	-	-	Miscellaneous
500,000	247,739	115,400	401,300	434,000	Transfers
-	-	-	-	-	Capital contributions
<b>1,179,613</b>	<b>1,164,946</b>	<b>338,505</b>	<b>403,328</b>	<b>437,511</b>	<b>Total Business-Type Activities</b>
<b>(310,940)</b>	<b>2,545,565</b>	<b>(413,586)</b>	<b>(115,976)</b>	<b>(313,234)</b>	<b>Changes in Net Position</b>

CITY OF LA QUINTA

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

	Fiscal Year				
	2009 (1)	2010 (1)	2011	2012	2013
<b>General fund:</b>					
Nonspendable:					
Prepaid costs	\$ 12,424	\$ 9,030	\$ 23,260	\$ 27,481	\$ 11,786
Land held for resale	-	-	8,320,000	8,320,000	8,320,000
Advances to other funds	46,137,692	57,897,671	15,373,104	15,417,929	15,509,691
Deposits	9,830	9,830	9,967	118,516	4,830
Due from Other Governments	-	-	-	-	41,378,966
Restricted for:					
Debt service	-	-	169,631	173,426	-
Committed:					
Emergency Reserve <sup>(2)</sup>	18,201,948	17,774,648	18,018,595	17,516,295	16,034,995
Natural Disaster Reserve <sup>(2)</sup>	-	-	-	-	-
Economic Disaster Reserve <sup>(2)</sup>	-	-	-	-	-
Post retirement health benefits	-	1,258,059	1,258,059	1,523,401	1,523,401
Capital Replacement Reserve <sup>(2)</sup>	2,144,085	-	-	-	2,848,737
Cash Flow Reserve <sup>(2)</sup>	-	-	-	-	-
Pension Trust	-	-	-	-	-
Carryovers	-	-	-	-	-
Other	-	-	-	-	-
Assigned:					
Continuing appropriations	3,485,747	1,555,176	1,768,494	1,041,172	1,013,533
Public Safety (Note 12b)	-	-	-	-	-
Sales Tax Reserve (Note 12 b)	-	-	-	-	-
Capital Projects (Note 12b)	-	-	-	-	-
Unassigned	22,335,655	13,525,704	48,140,444	47,737,861	5,926,651
<b>Total general fund</b>	<b>92,327,381</b>	<b>92,030,118</b>	<b>93,081,554</b>	<b>91,876,081</b>	<b>92,572,590</b>
<b>All other governmental funds:</b>					
Nonspendable:					
Prepaid costs	19,197	7,740	10,563	12,875	10,310
Notes and loans	2,067,028	2,088,709	2,081,614	2,065,611	2,062,589
Advances to other funds	4,321,119	4,293,166	4,569,188	-	-
Deposits	4,540	6,400	6,000	13,600	13,600
Restricted:					
Planning and development projects	25,807,752	31,032,124	34,018,930	10,767,199	3,730,533
Public safety	245,468	48,852	96,364	245,187	258,968
Community services	11,387,631	11,675,417	10,248,314	11,162,057	11,626,441
Public works	7,539,181	448,731	396,355	145,823	262,754
Capital Projects	50,556,856	53,123,856	58,111,106	4,089,156	1,392,581
Debt service	5,490,098	3,890	4,001,426	2,534	2,234
Assigned:					
Continuing appropriations	2,000	-	-	-	-
Unassigned	(19,339,823)	(33,626,907)	(13,250,398)	(13,248,593)	(13,179,196)
<b>Total all other governmental funds</b>	<b>88,101,047</b>	<b>69,101,978</b>	<b>100,289,462</b>	<b>15,255,449</b>	<b>6,180,814</b>
<b>Total Governmental Funds</b>	<b>180,428,428</b>	<b>161,132,096</b>	<b>193,371,016</b>	<b>107,131,530</b>	<b>98,753,404</b>

**Notes:**

(1) In Fiscal Year 2009-2010, the City implemented GASB 54 which changed the reporting requirements for fund balances in the financial statements. This table has been updated to reflect the impact of GASB 54 not only for Fiscal Year 2009-10 but for all prior years.

(2) In Fiscal year 2017-18, the City adopted a reserves policy which modified, added and/ or eliminated reserve category names. Emergency Reserves are now split into Natural Disaster and Economic Disaster, Working Capital Reserve was re-named Cash Flow Reserve, Capital Replacement and Pension Trust were added.

**Source:** City of La Quinta

TABLE 5

2014	2015	2016	2017	2018	
					<b>General fund:</b>
					Nonspendable:
\$ 1,500	\$ 15,653	\$ 204,589	\$ 10,578	\$ 90,657	Prepaid costs
8,320,000	8,320,000	8,320,000	8,320,000	8,320,000	Land held for resale
15,163,183	14,943,098	14,974,800	15,022,660	14,954,085	Advances to other funds
4,830	33,985	-	-	-	Deposits
34,976,516	26,715,575	25,105,681	29,154,040	29,611,707	Due from Other Governments
-	-	-	-	-	Restricted for:
					Debt service
					Committed:
16,034,995	15,372,600	15,576,000	16,534,000		Emergency Reserve <sup>(2)</sup>
				7,400,000	Natural Disaster Reserve <sup>(2)</sup>
				8,140,000	Economic Disaster Reserve <sup>(2)</sup>
1,523,401	1,523,401	1,523,400	1,523,400		Post retirement health benefits
1,507,429	1,727,390	2,302,000	-	5,000,000	Capital Replacement Reserve <sup>(2)</sup>
2,836,820	3,843,150	3,894,000	4,134,000	5,000,000	Cash Flow Reserve <sup>(2)</sup>
				2,000,000	Pension Trust
356,438	476,400	4,274,046	120,000	2,186,500	Carryovers
-	-	-	-	-	Other
					Assigned:
209,000	-	-	-	-	Continuing appropriations
-	-	-	9,371,699	9,754,327	Public Safety (Note 12b)
				5,169,970	Sales Tax Reserve (Note 12 b)
			6,322,570	4,996,815	Capital Projects (Note 12b)
10,699,641	13,837,312	13,822,012	16,949,526	19,199,506	Unassigned
<b>91,633,753</b>	<b>86,808,564</b>	<b>89,996,528</b>	<b>107,462,473</b>	<b>121,823,567</b>	<b>Total general fund</b>
					<b>All other governmental funds:</b>
					Nonspendable:
-	-	8,422	10,349	-	Prepaid costs
-	-	-	-	-	Notes and loans
-	-	-	-	-	Advances to other funds
-	-	-	-	-	Deposits
					Restricted:
5,970,006	13,108,499	18,211,200	22,664,093	22,607,600	Planning and development projects
274,274	301,843	189,988	83,506	401,557	Public safety
12,459,516	10,711,704	9,872,124	10,040,222	10,016,652	Community services
1,571,163	1,129,697	1,250,827	1,546,505	2,033,627	Public works
1,590,168	3,873,699	3,597,221	4,490,534	4,204,168	Capital Projects
-	-	-	-	-	Debt service
					Assigned:
-	-	-	-	-	Continuing appropriations
(12,370,462)	(12,703,744)	(11,655,344)	(11,423,008)	(11,405,877)	Unassigned
<b>9,494,665</b>	<b>16,421,698</b>	<b>21,474,438</b>	<b>27,412,201</b>	<b>27,857,727</b>	<b>Total all other governmental funds</b>
<b>101,128,418</b>	<b>103,230,262</b>	<b>111,470,966</b>	<b>134,874,674</b>	<b>149,681,294</b>	<b>Total Governmental Funds</b>

CITY OF LA QUINTA

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Taxes	\$ 99,816,072	\$ 93,831,918	\$ 88,498,457	\$ 53,632,023	\$ 23,506,679
Assessments	927,816	966,639	956,048	950,292	954,058
Licenses and permits	871,167	472,409	547,071	482,831	566,510
Intergovernmental	18,679,355	19,473,076	19,005,643	15,875,582	15,464,942
Charges for services	673,779	484,043	501,418	635,111	625,813
Use of money and property	7,043,646	5,338,679	4,670,732	1,914,518	1,582,762
Fines and Forfeitures	240,591	395,823	327,751	303,773	18,377,253
Developer participation	2,243,785	273,739	945,805	903,144	1,226,825
Miscellaneous	720,185	608,342	319,763	276,327	491,267
<b>Total Revenues</b>	<b>131,216,396</b>	<b>121,844,668</b>	<b>115,772,688</b>	<b>74,973,601</b>	<b>62,796,109</b>
<b>Expenditures</b>					
Current:					
General government	7,230,436	30,220,882	10,885,519	4,881,922	4,587,888
Public safety	18,946,866	20,116,936	19,826,372	19,669,517	20,168,038
Planning and development	7,261,835	6,028,492	8,460,420	4,314,646	27,514,768
Community services	4,698,985	4,204,626	4,147,758	4,086,686	4,411,536
Public works	6,324,055	6,862,887	4,808,060	6,192,733	5,067,370
Capital projects	32,363,859	14,514,910	21,287,775	13,335,989	8,622,783
Debt service:					
Principal retirement	6,319,580	6,616,412	7,011,261	7,066,726	556,871
Interest and fiscal charges	15,348,598	15,357,968	15,037,919	6,701,079	437,678
Payment to bond escrow	-	-	-	-	-
Payments under pass-through obligations	42,426,670	38,710,894	35,607,089	16,755,441	-
<b>Total Expenditures</b>	<b>140,920,884</b>	<b>142,634,007</b>	<b>127,072,173</b>	<b>83,004,739</b>	<b>71,366,932</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(9,704,488)</b>	<b>(20,789,339)</b>	<b>(11,299,485)</b>	<b>(8,031,138)</b>	<b>(8,570,823)</b>
<b>Other financing sources (uses):</b>					
Issuance of tax allocation bonds	-	-	6,000,000	-	-
Issuance of revenue bonds	-	-	28,850,000	-	-
Transfers in	40,502,929	30,386,372	61,657,034	12,554,752	29,841,053
Transfers out	(40,527,930)	(28,893,365)	(61,652,479)	(12,580,120)	(29,841,053)
Other debts issued	2,332,752	-	-	-	-
Capital leases	-	-	-	-	71,045
Proceeds from sale of capital assets	-	-	8,683,850	875,275	121,652
<b>Total Other Financing Sources (Uses)</b>	<b>2,307,751</b>	<b>1,493,007</b>	<b>43,538,405</b>	<b>849,907</b>	<b>192,697</b>
Extraordinary gain/loss on dissolution of RDA	-	-	-	(79,058,255)	-
<b>Net Change in Fund Balances</b>	<b>(7,396,737)</b>	<b>(19,296,332)</b>	<b>32,238,920</b>	<b>(86,239,486)</b>	<b>(8,378,126)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures <sup>(1)</sup></b>	<b>59.0%</b>	<b>47.6%</b>	<b>53.0%</b>	<b>43.7%</b>	<b>1.6%</b>

**Notes:**

<sup>(1)</sup> The capitalizable expenditures were derived from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds.

**Source:** City of La Quinta



TABLE 6

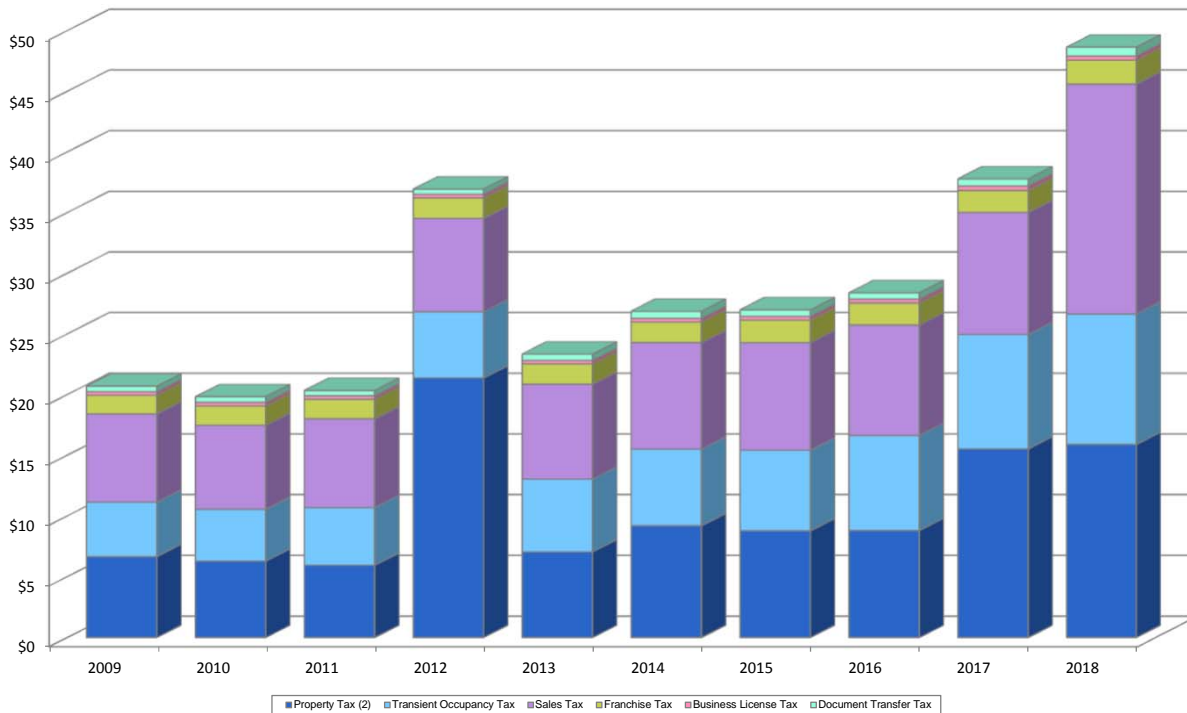
2014	2015	2016	2017	2018	
					<b>Revenues:</b>
\$ 27,192,089	\$ 26,678,471	\$ 28,057,989	\$ 41,832,117	\$ 44,931,250	Taxes
951,181	940,221	944,050	953,699	950,541	Assessments
953,540	1,356,978	1,161,820	1,118,911	1,394,820	Licenses and permits
16,506,666	15,702,943	14,960,676	4,870,334	12,555,259	Intergovernmental
1,238,277	1,341,438	1,332,541	1,021,336	1,279,864	Charges for services
2,175,048	1,950,957	7,475,742	4,659,301	2,388,683	Use of money and property
838,972	1,956,452	28,459	348,345	375,390	Fines and Forfeitures
3,059,254	2,803,681	1,441,075	1,042,568	1,534,628	Developer participation
575,001	580,843	992,282	289,047	1,196,057	Miscellaneous
<b>53,490,028</b>	<b>53,311,984</b>	<b>56,394,634</b>	<b>56,135,658</b>	<b>66,606,492</b>	<b>Total Revenues</b>
					<b>Expenditures</b>
					Current:
4,068,827	5,050,425	5,267,024	5,845,197	7,737,111	General government
21,189,086	21,664,472	22,125,962	23,377,755	22,508,088	Public safety
1,748,477	2,097,525	3,294,259	2,549,779	4,310,589	Planning and development
4,011,432	4,798,123	4,983,038	4,626,401	5,236,083	Community services
4,617,050	5,283,309	4,101,210	4,025,958	4,146,135	Public works
7,974,747	11,097,186	7,209,874	6,859,428	9,015,861	Capital projects
					Debt service:
558,019	594,383	632,615	651,625	666,988	Principal retirement
411,010	348,334	346,137	307,600	1,460,371	Interest and fiscal charges
-	-	-	-	-	Payment to bond escrow
-	-	-	-	-	Payments under pass-through obligations
<b>44,578,648</b>	<b>50,933,757</b>	<b>47,960,119</b>	<b>48,243,743</b>	<b>55,081,226</b>	<b>Total Expenditures</b>
<b>8,911,380</b>	<b>2,378,227</b>	<b>8,434,515</b>	<b>7,891,915</b>	<b>11,525,266</b>	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>
					<b>Other financing sources (uses):</b>
-	-	-	-	-	Issuance of tax allocation bonds
-	-	-	-	-	Issuance of revenue bonds
4,201,763	12,037,331	6,420,538	21,503,514	7,432,340	Transfers in
(4,335,679)	(12,322,714)	(6,614,349)	(21,904,814)	(7,775,107)	Transfers out
-	-	-	-	-	Other debts issued
-	9,000	-	-	-	Capital leases
-	-	-	-	-	Proceeds from sale of capital assets
<b>(133,916)</b>	<b>(276,383)</b>	<b>(193,811)</b>	<b>(401,300)</b>	<b>(342,767)</b>	<b>Total Other Financing Sources (Uses)</b>
(6,402,450)	-	-	7,344,050	3,624,121	Extraordinary gain/loss on dissolution of RDA
<b>2,375,014</b>	<b>2,101,844</b>	<b>8,240,704</b>	<b>14,834,665</b>	<b>14,806,620</b>	<b>Net Change in Fund Balances</b>
2.6%	2.2%	2.4%	2.45%	3.26%	<b>Debt Service as a Percentage of Noncapital Expenditures <sup>(1)</sup></b>

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**Tax Revenue by Source  
Last Ten Fiscal Years  
(in dollars)**

Fiscal Year	Property Tax <sup>(2)</sup>	Tax Increment <sup>(1)</sup>	Transient Occupancy Tax	Sales Tax	Franchise Tax	Business License Tax	Document Transfer Tax	Total
2009	\$6,653,583	\$ 36,702,197	\$4,480,467	\$7,279,513	\$1,533,249	\$ 285,304	\$ 455,089	\$ 57,389,402
2010	6,278,470	35,390,317	4,265,438	6,927,388	1,585,427	302,223	461,957	55,211,220
2011	5,942,353	32,569,795	4,737,968	7,323,835	1,607,829	285,270	437,235	52,904,285
2012	21,370,476	-	5,446,883	7,713,741	1,687,440	293,592	428,963	36,941,095
2013	7,043,604	-	5,980,684	7,833,545	1,669,476	292,966	518,778	23,339,053
2014	9,193,753	-	6,307,737	8,786,819	1,688,263	307,654	580,834	26,865,060
2015	8,776,491	-	6,637,183	8,873,008	1,861,453	306,087	530,336	26,984,558
2016	8,798,296	-	7,835,745	9,107,046	1,799,938	334,465	516,964	28,392,454
2017	15,521,335	-	9,433,970	10,060,305	1,815,491	365,451	585,333	37,781,885
2018	15,887,015	-	10,752,788	18,956,985	1,977,179	345,187	718,472	48,637,626

**Tax Revenue by Source**  
(Excluding Tax Increment)  
(in millions)



**Notes:**

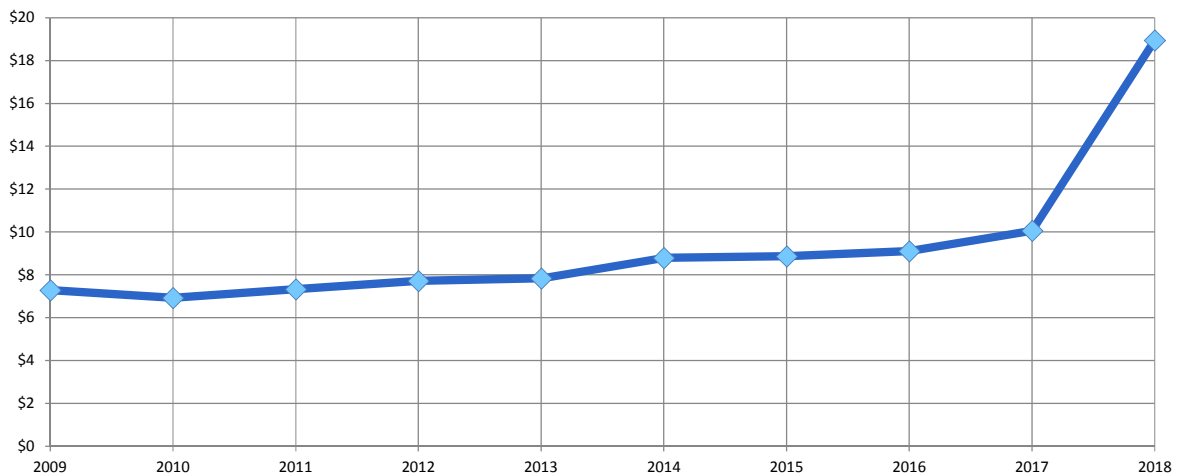
<sup>(1)</sup> The tax increment received was a result of the activity of the Redevelopment Agency. On June 28, 2011, California Governor Jerry Brown signed ABx1 26, the Redevelopment Dissolution Act. The Act was upheld by the California Supreme Court on Dec. 29, 2011, and the agency was effectively dissolved Feb. 1, 2012.

<sup>(2)</sup> Starting in 2017, the revenue collected by the County that is remitted to the City for fire services was included in the property tax number.

**Top 25 Sales Tax Producers  
Current Year and Ten Years Ago  
(in dollars)**

Fiscal Year 2017-18		Fiscal Year 2008-09	
Business Name <sup>(1)</sup>	Business Category	Business Name <sup>(1)</sup>	Business Category
Arco AM PM	Service Stations	Arco	Service Stations
Bed Bath & Beyond	Home Furnishings	Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores	Best Buy	Electronics/Appliance Stores
Chevrolet Cadillac of La Quinta	New Motor Vehicle Dealers	Champion Cadillac Chevrolet	New Motor Vehicle Dealers
Circle K	Service Stations	Circle K	Service Stations
Cliffhouse	Fine Dining	Circuit City	Electronics/Appliance Stores
Costco	Discount Dept Stores	Costco	Discount Dept Stores
Hobby Lobby	Specialty Stores	G & M Oil	Service Stations
Home Depot	Building Materials	Home Depot	Building Materials
Hyundai of La Quinta	New Motor Vehicle Dealers	Hyundai of La Quinta	New Motor Vehicle Dealers
In N Out Burgers	Quick-Service Restaurants	Kia of La Quinta	New Motor Vehicle Dealers
Kohls	Department Stores	Kohls	Department Stores
La Quinta Resort & Club	Hotels-Liquor	La Quinta Resort & Club	Hotels-Liquor
Lowe's	Building Materials	La Quinta Shell	Service Stations
Marshalls	Family Apparel	Lowe's	Building Materials
Ross	Family Apparel	Marshalls	Family Apparel
Stater Bros	Grocery Stores	Ross	Family Apparel
Stein Mart	Department Stores	Sams Club	Discount Dept Stores
Stuft Pizza Bar and Grill	Casual Dining	Stater Bros	Grocery Stores
Target	Discount Dept Stores	Stein Mart	Department Stores
TJ Maxx	Family Apparel	Target	Discount Dept Stores
Torre Nissan	New Motor Vehicle Dealers	Thane Marketing	Business Services
Tower Mart	Service Stations	Torre Nissan	New Motor Vehicle Dealers
Vons	Grocery Stores	USA Gas	Service Stations
Walmart Supercenter	Discount Dept Stores	Walmart Supercenter	Discount Dept Stores
<b>Percent of Fiscal Year Total Paid by Top 25 Accounts: 67.83%</b>		<b>Percent of Fiscal Year Total Paid by Top 25 Accounts: 66.40%</b>	

**Sales Tax Revenue**  
(in millions)



**Notes:**

<sup>(1)</sup> Firms are listed alphabetically. State law does not allow for the disclosure of the sales tax revenue amounts by account. Top 25 businesses listed for state Bradley-Burns sales tax allocation only. For business listings for local Measure G, see next page. Sales tax revenue chart includes total remitted for both.

**Top 25 Sales Tax Producers  
Current Year and Ten Years Ago  
(in dollars)**

Calendar Year 2017		Fiscal Year 2008-09	
Business Name <sup>(1)</sup>	Business Category	Business Name	Business Category
Amazon.com	General Merchandise		
Arco AM PM	Service Stations		
Bed Bath & Beyond	Home Furnishings		
Best Buy	Electronics/Appliance Stores		
Circle K	Service Stations		
Costco	Discount Dept Stores		
Dept. of Motor Vehicles Allocation	Used Automotive Dealers		
Desert European Motor Cars	New Motor Vehicle Dealers		
Fiesta Ford	New Motor Vehicle Dealers		
Home Depot	Building Materials		
I-10 Toyota	New Motor Vehicle Dealers		
Kohls	Department Stores		
La Quinta Resort & Club	Hotels-Liquor		
Lowe's	Building Materials		
Marshalls	Family Apparel		
Mathis Brothers Furniture	Home Furnishings		
Ross	Family Apparel		
Stater Bros	Grocery Stores		
Stein Mart	Department Stores		
Target	Discount Dept Stores		
TJ Maxx	Family Apparel		
Torre Nissan	New Motor Vehicle Dealers		
Tower Mart	Service Stations		
Verizon Wireless	Electronics/Appliance Stores		
Walmart Supercenter	Discount Dept Stores		
<b>Percent of Calendar Year Total Paid by Top 25 Accounts:</b>		<b>50.48%</b>	

Measure G was passed in November 2016 with implementation on April 1, 2017. Ten-year is data not available.

**Notes:**

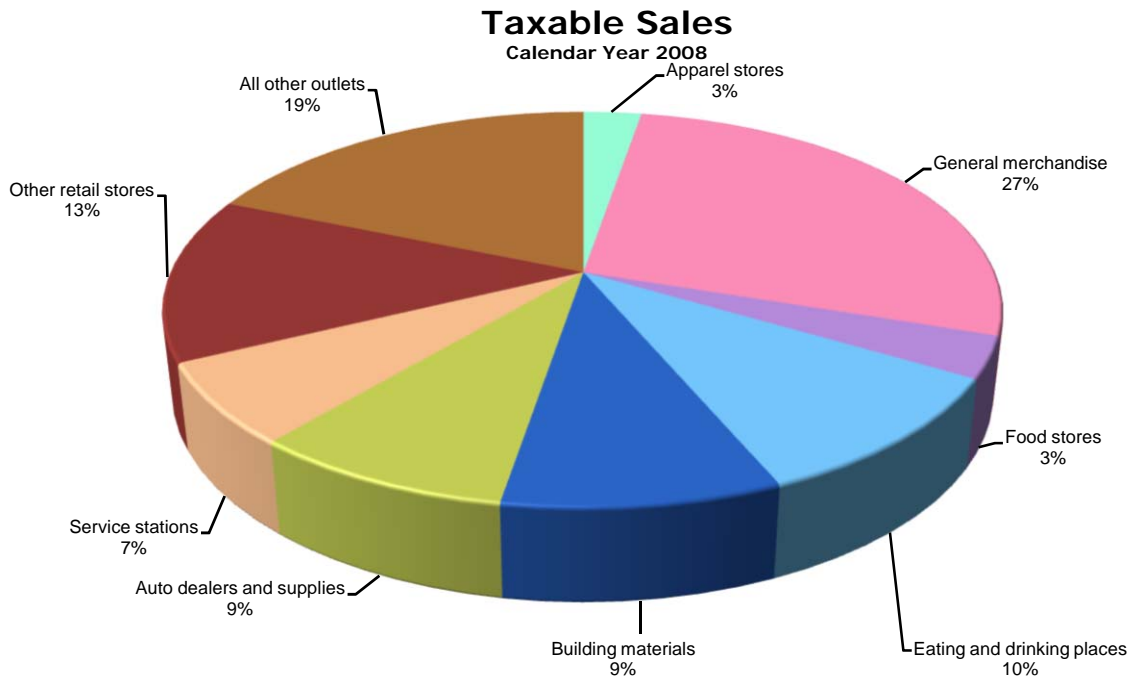
<sup>(1)</sup> Firms are listed alphabetically. State law does not allow for the disclosure of the sales tax revenue amounts by account.

**Source:** HDL, Coren & Cone

**City of La Quinta**

**Taxable Sales by Category <sup>(1)</sup>  
Last Ten Calendar Years  
(in thousands)**

	Calendar Year				
	2008	2009	2010	2011	2012
Apparel stores	\$ 22,019	\$ 22,061	\$ 22,143	\$ 23,223	\$ 24,430
General merchandise	226,032	209,394	206,153	211,249	220,970
Food stores	27,865	26,196	25,351	25,197	25,854
Eating and drinking places	83,310	80,172	79,646	86,433	94,859
Building materials	74,604	59,747	60,740	62,879	65,445
Auto dealers and supplies	70,645	33,576	43,566	58,938	62,668
Service stations	54,413	39,127	46,059	54,342	56,001
Other retail stores	111,210	99,779	94,532	97,477	99,028
All other outlets	154,186	120,668	120,291	132,417	130,421
<b>Total</b>	<b>824,284</b>	<b>690,720</b>	<b>698,481</b>	<b>752,155</b>	<b>779,676</b>



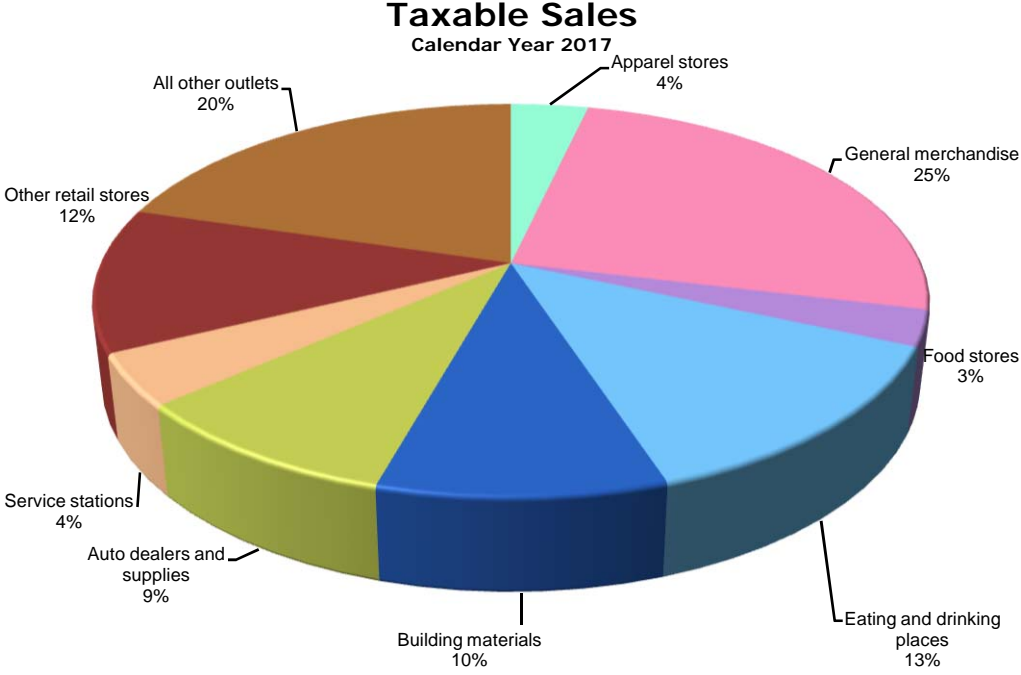
**Notes:**

<sup>(1)</sup> Due to confidentiality issues preventing the disclosure of the top ten largest sales tax payers by business name, this categorical list has been provided as an alternative source of information regarding the City of La Quinta's sales tax revenue.

**Source:** HDL. Coren & Cone

TABLE 9

	2013	2014	2015	2016	2017	
\$	25,741	\$ 25,461	\$ 25,115	\$ 26,280	\$ 31,822	Apparel stores
	223,324	216,871	208,189	206,808	222,767	General merchandise
	26,394	25,748	22,845	25,359	25,964	Food stores
	97,662	101,647	106,216	115,974	117,064	Eating and drinking places
	68,606	73,087	75,658	78,299	83,383	Building materials
	72,839	84,826	87,440	83,010	81,264	Auto dealers and supplies
	52,093	47,541	40,777	34,566	37,558	Service stations
	100,811	101,721	105,284	107,648	104,834	Other retail stores
	142,049	150,746	155,173	172,135	180,360	All other outlets
	<b>809,519</b>	<b>827,648</b>	<b>826,697</b>	<b>850,079</b>	<b>885,016</b>	<b>Total</b>



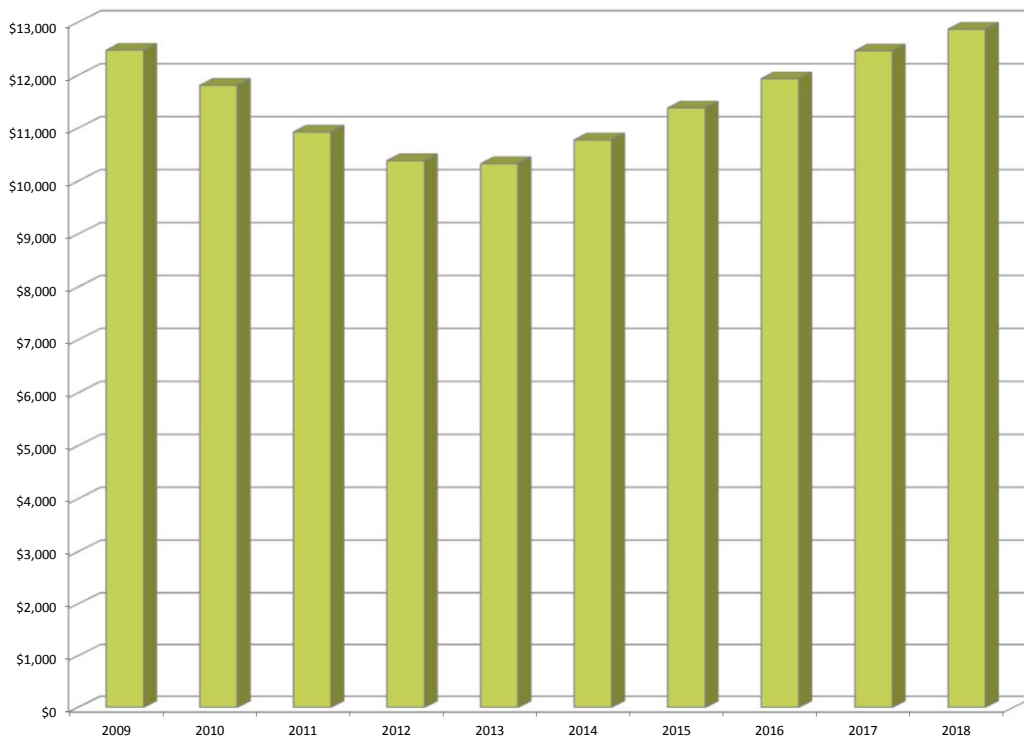
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**Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(in dollars)**

City of La Quinta, Tax District 02-2375								
Fiscal Year Ended June 30,	Residential	Commercial	Agriculture <sup>(4)</sup>	Other <sup>(1)</sup>	Unsecured Property <sup>(2)</sup>	Home Owner Exemption <sup>(5)</sup>	Taxable Assessed Value	Direct Rate <sup>(3)</sup>
2009	10,034,763,263	827,032,029	20,432,889	1,475,352,236	112,389,346	(152,860,511)	12,469,969,763	1.0000
2010	9,483,530,068	823,821,531	20,845,624	1,358,176,147	120,977,122	(154,942,598)	11,807,350,492	1.0000
2011	8,870,471,785	771,419,124	20,792,716	1,143,332,514	118,651,054	(157,742,188)	10,924,667,193	1.0000
2012	8,612,579,049	725,788,432	20,944,939	920,025,235	104,880,163	(161,420,137)	10,384,217,818	1.0000
2013	8,510,574,371	735,622,855	19,644,835	954,074,172	106,176,279	(164,227,296)	10,326,092,512	1.0000
2014	8,959,562,854	743,340,208	20,374,889	945,004,639	108,387,013	(167,489,253)	10,776,669,603	1.0000
2015	10,116,938,804	1,061,204,501	65,769,114	77,926,274	106,672,900	(49,232,400)	11,379,279,193	1.0000
2016	10,634,834,332	1,088,406,355	64,533,443	79,120,572	113,142,376	(49,130,200)	11,930,906,878	1.0000
2017	11,071,273,174	1,195,736,674	57,463,638	71,281,946	110,768,767	(49,088,200)	12,457,435,999	1.0000
2018	11,462,635,317	1,227,709,957	59,538,912	61,350,883	105,984,928	(49,700,000)	12,867,519,997	1.0000

**Taxable Assessed Value  
(in millions)**



**Notes:**

- <sup>(1)</sup> Other includes dry farm, government owned, institutional, irrigated, miscellaneous, recreational, vacant, cross reference and unknown. For 2016, prior years 2007 through 2015 were adjusted to match current reporting categories for consistency.
- <sup>(2)</sup> Prior years 2007 through 2015 adjusted to match current reporting for consistency.
- <sup>(3)</sup> In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner; at which time the new assessed value is the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.
- <sup>(4)</sup> In 2016 (and going forward) data will be obtained from California Municipal and The Assessor Controller's Office. The existing column headers were slightly modified to accommodate the property type classifications. The column labeled agriculture was formerly "industrial".
- <sup>(5)</sup> Prior to 2015, this column also included Exempt Property Valuations

**Source:** : Cal Muni 2016/17 and 2017/18; County of Riverside Assessor Combined Tax Rolls Equalized Auditor and Assessor's Net

CITY OF LA QUINTA

**Direct and Overlapping Property Tax Rates  
(Rate per \$100 of assessed value)  
Last Ten Fiscal Years**

	City Non-Project Area										
	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018	
<b>Direct Rates:</b>											
City of La Quinta	0.0506	0.0506	0.0734	0.0760	0.0760	0.0760	0.0760	0.0760	0.0760	0.0760	0.0760
Redevelopment agency Project Area 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Redevelopment agency Project Area 2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
County of Riverside	0.2586	0.2586	0.2318	0.1957	0.1958	0.1958	0.1958	0.1958	0.1958	0.1958	0.1958
County Free Library	0.0284	0.0284	0.0280	0.0252	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253
County Structure Fire Protection	0.0610	0.0610	0.0602	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544
Coachella Valley Unified School District	0.0000	0.0000	0.0000	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322
Desert Sands Unified School	0.3765	0.3765	0.3716	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Desert Community College District	0.0782	0.0782	0.0772	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698
Riverside County Office of Education	0.0426	0.0426	0.0420	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380
Riverside County Regional Park & Open Sp	0.0000	0.0000	0.0000	0.0040	0.0039	0.0039	0.0039	0.0039	0.0039	0.0040	0.0040
CV Public Cemetery	0.0035	0.0035	0.0035	0.0032	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031
CV Mosquito & Vector Control	0.0142	0.0142	0.0141	0.0127	0.0127	0.0127	0.0127	0.0126	0.0126	0.0126	0.0126
Desert Recreation District	0.0215	0.0215	0.0213	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192
Coachella Valley Water District	0.0284	0.0284	0.0281	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254
CV Resource Conservation	0.0004	0.0004	0.0004	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
CVWD Improvement District 1	0.0000	0.0000	0.0131	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118
CVWD Storm Water Unit	0.0360	0.0360	0.0355	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321
<b>Total Direct Rate <sup>(3)</sup></b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
<b>Tax Rate Area</b>	<b>020-005</b>	<b>020-005</b>	<b>020-005</b>	<b>020-005</b>	<b>020-005</b>	<b>020-005</b>	<b>020-005</b>	<b>020-160</b>	<b>020-160</b>	<b>020-160</b>	
<b>Overlapping Rates <sup>(4)</sup> :</b>											
Coachella Valley Unified School District	0.0595	0.0725	0.0933	0.0749	0.0797	0.1492	0.1492	0.1322	0.1660	0.1761	
Desert Sands Unified School	0.0799	0.0811	0.1004	0.1147	0.1116	0.1095	0.1098	0.1092	0.0860	0.0725	
Coachella Valley Water District	0.0464	0.0660	0.0860	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	
Desert Community College District	0.0199	0.0200	0.0200	0.0200	0.0200	0.0200	0.0233	0.0209	0.0204	0.0403	
<b>Total Overlapping Rate</b>	<b>0.2057</b>	<b>0.2395</b>	<b>0.2996</b>	<b>0.2895</b>	<b>0.2912</b>	<b>0.3787</b>	<b>0.3823</b>	<b>0.3622</b>	<b>0.3724</b>	<b>0.3889</b>	
<b>Total Direct and Overlapping Rate</b>	<b>1.2057</b>	<b>1.2395</b>	<b>1.2996</b>	<b>1.2895</b>	<b>1.2912</b>	<b>1.3787</b>	<b>1.3823</b>	<b>1.3622</b>	<b>1.3724</b>	<b>1.3889</b>	

**Notes:**

<sup>(1)</sup> Direct rate from Tax Rate Area (TRA) 020-160 and overlapping rates provided by HdI Coren & Cone, data source Riverside County Assessor 2008/09- 2017/18 Annual Tax Increment Tables.

<sup>(2)</sup> Direct rate taken from an analysis of the TRA in the project area and do not include State ERAF deductions and overlapping rates provided by California Municipal Statistics

<sup>(3)</sup> In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount for direct taxes. This 1% is shared by all taxing agencies for which the subject property resides within.

<sup>(4)</sup> Overlapping rates are based upon a single tax rate area only.

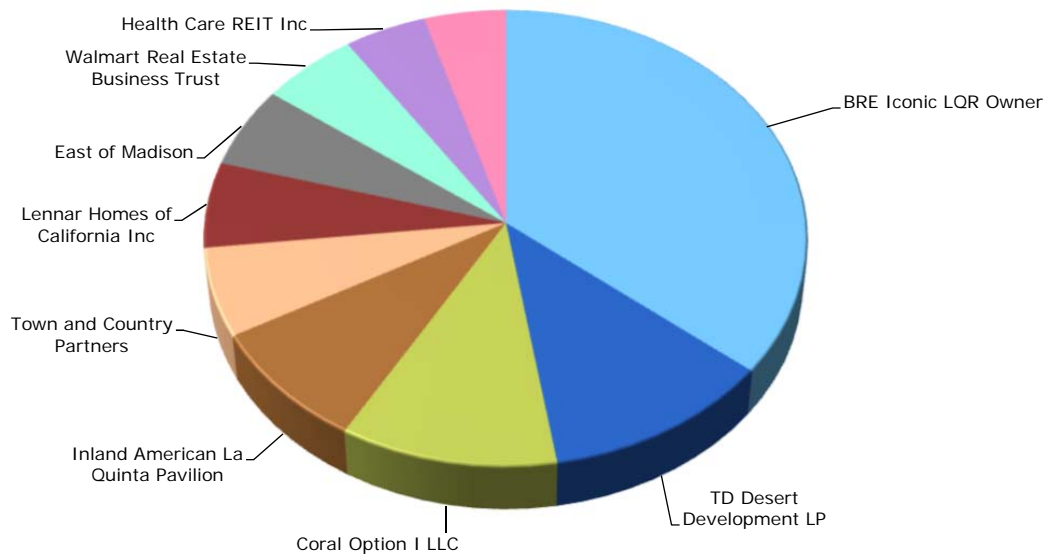
**Source:** County of Riverside Auditor Controller's Office; HDL, Coren & Cone

Redevelopment Project Area 1					Redevelopment Project Area 2					
2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012 <sup>(2)</sup>	2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012 <sup>(2)</sup>	
										<b>Direct Rates:</b>
0.0000	0.0152	0.0036	0.0049	0.0524	0.0000	0.0000	0.0000	0.0019	0.0499	City of La Quinta
0.5150	0.5245	0.5432	0.5310	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	Redevelopment agency Project Area 1
0.0000	0.0000	0.0000	0.0000	0.0000	0.2910	0.3193	0.3174	0.3059	0.0000	Redevelopment agency Project Area 2
0.2619	0.2325	0.2501	0.2471	0.2683	0.2617	0.2516	0.2537	0.2511	0.2553	County of Riverside
0.0276	0.0277	0.0276	0.0282	0.0294	0.0280	0.0280	0.0280	0.0286	0.0280	County Free Library
0.0595	0.0595	0.0595	0.0607	0.0633	0.0603	0.0603	0.0603	0.0616	0.0602	County Structure Fire Protection
0.0020	0.0149	0.0167	0.0182	0.0000	0.0020	0.0000	0.0000	0.0000	0.0000	Coachella Valley Unified School District
0.0140	0.0695	0.0568	0.0637	0.3905	0.1970	0.1860	0.1859	0.1930	0.3716	Desert Sands Unified School
0.0720	0.0177	0.0152	0.0166	0.0812	0.0410	0.0386	0.0386	0.0401	0.0772	Desert Community College District
0.0180	0.0093	0.0027	0.0038	0.0442	0.0220	0.0210	0.0210	0.0218	0.0420	Riverside County Office of Education
0.0030	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	Riverside County Regional Park & Open Space
0.0000	0.0008	0.0002	0.0003	0.0037	0.0000	0.0000	0.0000	0.0001	0.0035	CV Public Cemetery
0.0120	0.0112	0.0111	0.0112	0.0148	0.0140	0.0141	0.0141	0.0141	0.0140	CV Mosquito & Vector Control
0.0010	0.0044	0.0014	0.0019	0.0223	0.0060	0.0053	0.0053	0.0059	0.0212	Desert Recreation District
0.0010	0.0127	0.0120	0.0124	0.0295	0.0760	0.0757	0.0757	0.0740	0.0281	Coachella Valley Water District
0.0130	0.0001	0.0000	0.0000	0.0004	0.0000	0.0000	0.0000	0.0000	0.0004	CV Resource Conservation
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0005	0.0131	CVWD Improvement District 1
<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0010</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0014</u>	<u>0.0355</u>	CVWD Storm Water Unit
<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>Total Direct Rate <sup>(3)</sup></b>
<b>020-089</b>	<b>020-089</b>	<b>020-089</b>	<b>020-089</b>	<b>020-089</b>	<b>020-144</b>	<b>020-144</b>	<b>020-144</b>	<b>020-144</b>	<b>020-144</b>	<b>Tax Rate Area</b>
										<b>Overlapping Rates <sup>(4)</sup> :</b>
0.0571	0.0595	0.0725	0.0933	0.0749	0.0571	0.0595	0.0725	0.0933	0.0749	Coachella Valley Unified School District
0.0756	0.0799	0.0811	0.1004	0.1147	0.0756	0.0799	0.0811	0.1004	0.1147	Desert Sands Unified School
0.0507	0.0464	0.0660	0.0860	0.0800	0.0507	0.0464	0.0660	0.0860	0.0800	Coachella Valley Water District
<u>0.0199</u>	<u>0.0199</u>	<u>0.0200</u>	<u>0.0200</u>	<u>0.0200</u>	<u>0.0199</u>	<u>0.0199</u>	<u>0.0200</u>	<u>0.0200</u>	<u>0.0200</u>	Desert Community College District
<b>0.2033</b>	<b>0.2057</b>	<b>0.2395</b>	<b>0.2996</b>	<b>0.2895</b>	<b>0.2033</b>	<b>0.2057</b>	<b>0.2395</b>	<b>0.2996</b>	<b>0.2895</b>	<b>Total Overlapping Rate</b>
<b>1.2033</b>	<b>1.2057</b>	<b>1.2395</b>	<b>1.2997</b>	<b>1.2895</b>	<b>1.2033</b>	<b>1.2057</b>	<b>1.2395</b>	<b>1.2996</b>	<b>1.2895</b>	<b>Total Direct and Overlapping Rate</b>

**Principal Property Taxpayers  
Current Year and Ten Years Ago  
(in dollars)**

Taxpayer	Fiscal Year 2017-18			Fiscal Year 2008-09		
	Rank	Taxable Assessed Value (1)	Percent of Total City Taxable Assessed Value	Rank	Taxable Assessed Value (1)	Percent of Total City Taxable Assessed Value
BRE Iconic LQR Owner	1	\$ 196,541,854	1.53%		-	
TD Desert Development LP	2	64,614,031	0.50%	2	\$ 123,545,144	
Coral Option I LLC	3	60,391,969	0.47%	6	41,623,109	0.33%
Inland American La Quinta Pavilion	4	47,350,687	0.37%	9	32,260,312	
Town and Country Partners	5	34,369,793	0.27%		-	
Lennar Homes of California Inc	6	33,234,962	0.26%		-	
East of Madison	7	31,574,410	0.25%	3	63,848,760	0.51%
Walmart Real Estate Business Trust	8	30,598,539	0.24%	4	50,062,387	0.40%
Health Care REIT Inc	9	25,888,873	0.20%		-	
Aventine Development	10	25,801,172	0.20%		-	
KSL Desert Resort		-	-	1	351,987,688	2.82%
ND La Quinta Partners		-	-	5	42,929,365	0.34%
Griffin Ranch		-	-	7	40,240,602	0.32%
Village Resort		-	-	10	33,809,065	0.26%
Toll California		-	-	8	32,130,633	0.27%
<b>Total</b>		<b>\$ 550,366,290</b>	<b>4.28%</b>		<b>812,437,065</b>	<b>5.27%</b>

**Principal Property Tax Payers  
(FY 2016-17)**



(1) Taxable valuations include secured and unsecured

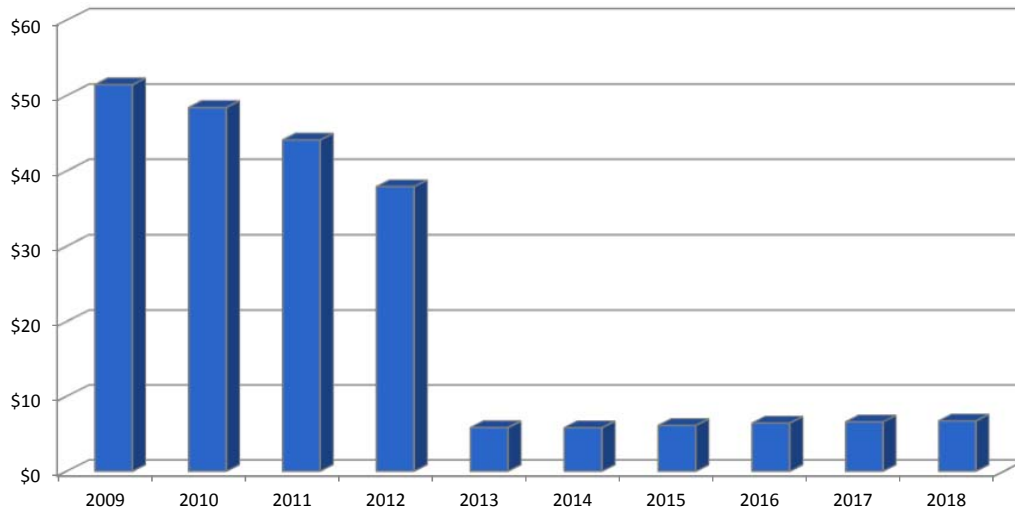
**Source:**

HdL Coren & Cone; Riverside County Assessor 2016/17 Combined Tax Rolls and the SBE Non-Unitary Tax RollP (Preliminary)

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
(in dollars)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year <sup>(1)</sup>	Collections within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(2)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount <sup>(3)</sup>	Percent of Levy
2009	50,547,069	51,409,191	101.71%	600,827	52,010,018	102.89%
2010	47,263,321	48,396,941	102.40%	133,839	48,530,780	102.68%
2011	43,272,411	44,090,072	101.89%	34,356	44,124,428	101.97%
2012	69,307,476	37,885,360	54.66%	181,381	38,066,741	54.92%
2013	5,706,535	5,823,575	102.05%	180,723	6,004,298	105.22%
2014	5,814,571	5,808,387	99.89%	202,342	6,010,729	103.37%
2015	5,965,704	6,100,655	102.26%	170,306	6,270,961	105.12%
2016	6,657,414	6,420,215	96.44%	194,668	6,614,883	99.36%
2017	6,764,963	6,592,548	97.45%	137,921	6,730,469	99.49%
2018	6,868,411	6,717,291	97.80%	116,182	6,833,473	99.49%

**Property Tax Collections  
(in millions)**



**Notes:**

<sup>(1)</sup> Taxes Levied. The total tax levy is based on the Statement of Original Charge from the Riverside County Auditor-Controller Office. The amounts presented include City property taxes for tax districts 02-2374 and 02-2375 and are not inclusive of the redevelopment increment values.

<sup>(2)</sup> Collections in Subsequent Years. The City participates in the Riverside County Teeter program; the secured taxes are remitted in a series of advances and settlement payments, the last of which is not received by the City until October of the subsequent year. Additionally, the City receives remittances for prior year throughout the subsequent year. As these values are not known at the time of publishing, the number in this column will be adjusted on the 18-19 CAFR to reflect all prior year collections received.

<sup>(3)</sup> Collections to Date. The total amount does not include any apportionment adjustments that are the result of successful appeals of a taxpayer assessed valuation, escaped bills, refunds, or any other adjustments made by the County Auditor-Controller. As such, the percentage of the levy collected may be higher or lower than expected. Additionally, the increment values of the former Redevelopment Agency are allocated through a waterfall distribution process in accordance with California Health and Safety Code 34183 and 34188, and are not reflected on the Statement of Original Charge.

**Source:** County of Riverside Auditor Controller's Office

CITY OF LA QUINTA

**Ratios of Outstanding Debt by Type <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(in dollars)**

	Fiscal Year Ended				
	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>					
Reimbursement Agreement	\$ 178,311	\$ 128,311	\$ -	\$ -	\$ -
Capital leases	149,169	114,583	78,253	40,090	71,045
USDA Loan	751,754	741,171	729,480	-	702,105
Provident Savings Loan	1,556,283	1,530,958	1,503,433	-	1,441,096
Notes Payable- Eisenhower Drive Property	-	-	-	-	-
Due to Coachella Valley Unified School District	2,874,653	2,072,965	1,255,243	-	-
Due to County of Riverside	1,400,000	1,200,000	1,000,000	-	-
Developer Agreement	343,814	174,584	-	-	-
Tax Allocation Bonds Project Area 1	133,390,000	130,255,000	126,925,000	-	-
Tax Allocation Bonds Project Area 2	5,800,000	5,680,000	11,555,000	-	-
2004 Local Agency Revenue Bonds <sup>(2)</sup>	84,560,000	82,890,000	81,150,000	-	-
2011 Local Agency Revenue Bonds <sup>(2)</sup>	-	-	28,850,000	-	-
City Hall Lease Revenue Bonds	5,160,000	4,760,000	4,340,000	3,895,000	3,425,000
Unamortized Discount and Issuance Costs	(804,944)	(768,801)	(1,115,799)	-	-
<b>Total Governmental</b>	<b>235,359,040</b>	<b>228,778,771</b>	<b>256,270,610</b>	<b>3,935,090</b>	<b>5,639,246</b>
<b>Business-type Activities:</b>					
Capital Leases	285,217	54,543	286,097	169,084	43,736
<b>Total Business-Type Activities</b>	<b>285,217</b>	<b>54,543</b>	<b>286,097</b>	<b>169,084</b>	<b>43,736</b>
<b>Total Primary Government</b>	<b>235,644,257</b>	<b>228,833,314</b>	<b>256,556,707</b>	<b>4,104,174</b>	<b>5,682,982</b>
Population - State Department of Finance January 1	43,778	44,421	37,836	38,075	38,401
Number of Households	21,355	23,489	23,489	23,528	23,612
Median Household Income	92,156	90,124	104,410	104,045	111,077
Percentage of Personal Income	11.97%	10.81%	10.46%	0.17%	0.22%
Debt Per Capita	5,383	5,151	6,781	108	148

**Notes:**

<sup>(1)</sup> Details regarding the City's outstanding debt can be found in the notes to the financial statements.

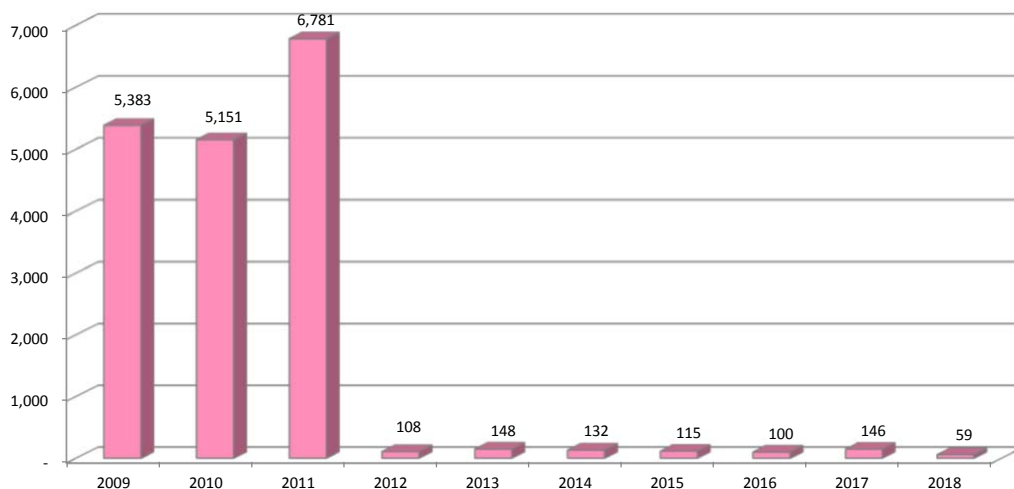
<sup>(2)</sup> The debt service payment for the 2004 and 2011 Lease Revenue Bonds are made from Redevelopment Project Area 1 & 2 low & moderate income tax increment.

**Source:** City of La Quinta; HDL, Coren & Cone

2014	2015	2016	2017	2018	
\$ -	\$ -	\$ -	\$ -	\$ -	<b>Governmental Activities:</b>
129,063	103,869	155,395	530,163	667,035	- Reimbursement Agreement
686,345	668,933	649,698	628,448	-	Capital leases
1,405,755	1,367,344	1,325,596	1,280,221	-	- USDA Loan
-	-	-	2,250,000	1,125,000	- Provident Savings Loan
-	-	-	-	-	Notes Payable- Eisenhower Drive Property
-	-	-	-	-	- Due to Coachella Valley Unified School District
-	-	-	-	-	- Due to County of Riverside
-	-	-	-	-	- Developer Agreement
-	-	-	-	-	- Tax Allocation Bonds Project Area 1
-	-	-	-	-	- Tax Allocation Bonds Project Area 2
-	-	-	-	-	- 2004 Local Agency Revenue Bonds <sup>(2)</sup>
-	-	-	-	-	- 2011 Local Agency Revenue Bonds <sup>(2)</sup>
2,930,000	2,405,000	1,850,000	1,265,000	650,000	City Hall Lease Revenue Bonds
-	-	-	-	-	- Unamortized Discount and Issuance Costs
<b>5,151,163</b>	<b>4,545,146</b>	<b>3,980,689</b>	<b>5,953,832</b>	<b>2,442,035</b>	<b>Total Governmental</b>
-	-	-	-	-	<b>Business-type Activities:</b>
-	-	-	-	-	- Capital Leases
-	-	-	-	-	<b>Total Business-Type Activities</b>
<b>5,151,163</b>	<b>4,545,146</b>	<b>3,980,689</b>	<b>5,953,832</b>	<b>2,442,035</b>	<b>Total Primary Government</b>

39,032	39,694	39,977	40,677	41,204	Population - State Department of Finance January 1
23,871	24,150	24,432	24,544	24,643	Number of Households
109,365	97,526	99,157	104,749	107,447	Median Household Income
0.20%	0.19%	0.16%	0.23%	0.09%	Percentage of Personal Income
132	115	100	146	59	Debt Per Capita

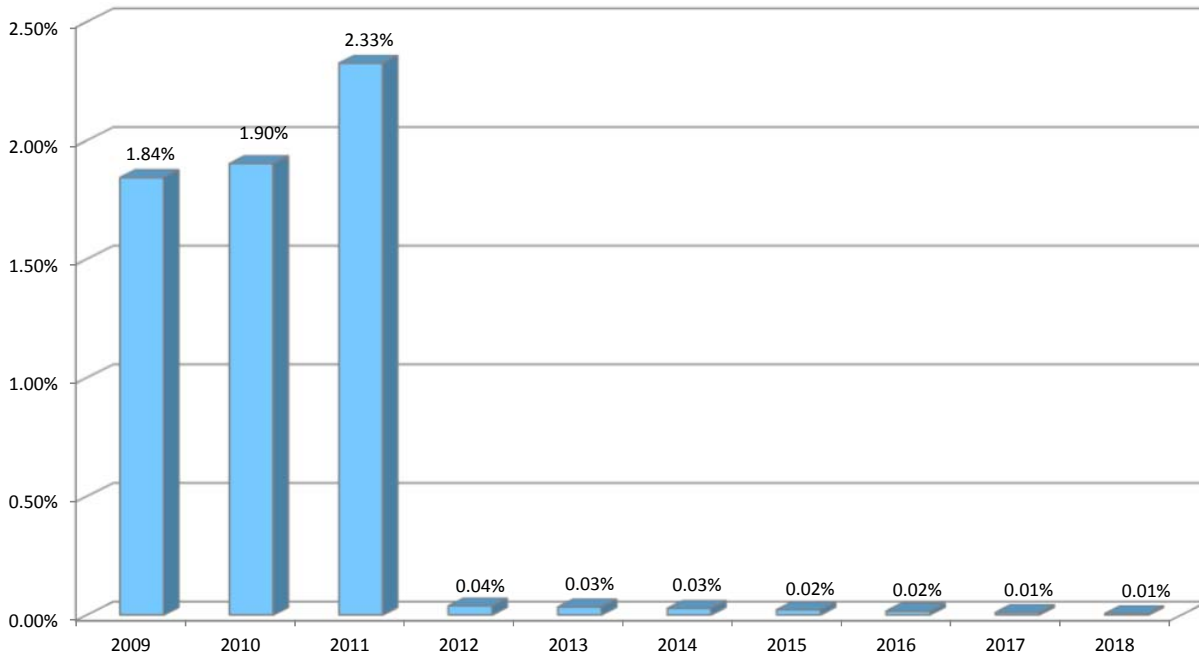
**Debt Per Capita**



**Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(in dollars)**

Fiscal Year Ended June 30,	Outstanding General Bonded Debt <sup>(1)</sup>			Total	Percent of Assessed Value <sup>(2)</sup>	Per Median Household Income
	City Hall Lease Obligation	Local Agency Bonds	Tax Allocation Bonds			
2009	5,160,000	84,560,000	139,190,000	228,910,000	1.84%	2,484
2010	4,760,000	82,890,000	135,935,000	223,585,000	1.90%	2,481
2011	4,340,000	110,000,000	138,480,000	252,820,000	2.33%	2,421
2012	3,895,000	-	-	3,895,000	0.04%	37
2013	3,425,000	-	2,250,000	5,675,000	0.03%	31
2014	2,930,000	-	-	2,930,000	0.03%	27
2015	2,405,000	-	-	2,405,000	0.02%	20
2016	1,850,000	-	-	1,850,000	0.02%	45
2017	1,265,000	-	-	1,265,000	0.01%	31
2018	650,000	-	-	650,000	0.01%	6

**General Bonded Debt as a Percent of Assessed Value**



**Notes:**

<sup>(1)</sup> General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none)

<sup>(2)</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

**Source:** City of La Quinta



**Direct and Overlapping Debt  
June 30, 2017  
(in dollars)**

<b>Total Assessed Valuation <sup>(1)</sup></b>			
		<b><u>\$ 12,917,219,997</u></b>	
	<b>Percentage Applicable <sup>(2)</sup></b>	<b>Outstanding Debt 6/30/18</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping Debt <sup>(3)</sup></b>			
<b>Overlapping Tax and Assessment Debt</b>			
Desert Community College District	16.68%	\$ 314,935,000	\$ 52,524,859
Coachella Valley Unified School District	52.04%	254,988,839	132,685,992
Desert Sands Unified School District (DSUSD)	20.21%	294,895,000	59,604,177
DSUSD Community Facilities District No. 1	88.91%	1,030,000	915,794
Coachella Valley Water District Assessment District No. 68	88.21%	1,505,000	1,327,547
<b>Total Overlapping Tax and Assessment Debt</b>			<b><u>247,058,369</u></b>
<b>Overlapping General Fund Debt</b>			
Riverside County General Fund Obligations	4.90%	812,829,106	39,820,498
Riverside County Pension Obligations	4.90%	266,365,000	13,049,221
Coachella Valley Unified School District Certificates of Participation (COP)	52.04%	39,035,000	20,312,253
Desert Sands Unified School District COP	20.21%	43,550,000	8,802,326
Desert Recreation and Park District COP	26.60%	778,538	207,091
<b>Total Overlapping General Fund Debt</b>			<b><u>82,191,389</u></b>
<b>Overlapping Tax Increment Debt</b>			
Successor Agencies	13.894- 100.00 %	473,643,028	295,959,390
Total Overlapping Tax Increment Debt			<u>295,959,390</u>
<b>Total Gross Overlapping Debt</b>			<b><u>625,209,148</u></b>
Less: Riverside County Supported Obligations			164,278
<b>Total Net Overlapping Debt</b>			<b><u>625,044,870</u></b>
<b>Direct General Fund Debt</b>			
City of La Quinta General Fund Obligations		\$ 2,442,035	2,442,035
<b>Total Direct General Fund Debt</b>			<b><u>2,442,035</u></b>
<b>Total Net Combined Direct and Overlapping Debt</b>			<b><u>\$ 627,486,905</u></b>

**Notes:**

<sup>(1)</sup> Total assessed valuation is from the Equalized Assessor report which includes homeowner exemptions.

<sup>(2)</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's taxable assessed value that is within the city's boundaries divided by the district's total taxable assessed value.

<sup>(3)</sup> Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**CITY OF LA QUINTA**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

**(in dollars)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Assessed valuation <sup>(1)</sup>	\$12,416,034,763	\$11,753,185,892	\$10,870,790,733	\$10,331,431,958	\$10,274,998,112
Debt limit percentage <sup>(2)</sup>	15%	15%	15%	15%	15%
Debt limit	1,862,405,214	1,762,977,884	1,630,618,610	1,549,714,794	1,541,249,717
Total net debt applicable to limit General obligation bonds <sup>(3)</sup>	-	-	-	-	-
<b>Legal debt margin</b>	<b><u>\$1,862,405,214</u></b>	<b><u>\$1,762,977,884</u></b>	<b><u>\$1,630,618,610</u></b>	<b><u>\$1,549,714,794</u></b>	<b><u>\$1,541,249,717</u></b>
<b>Total debt applicable to the limit as a percentage of debt limit</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Notes:**

<sup>(1)</sup> Assessed Valuation is from the Equalized Auditor's Net report which excludes the homeowner exemptions

<sup>(2)</sup> Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

<sup>(3)</sup> The City of La Quinta has no general bonded indebtedness.

**Source:** Riverside County Auditor Controller

TABLE 17

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	
\$ 10,726,752,603	\$ 11,369,346,292	\$ 11,930,906,878	\$ 12,457,435,999	\$ 12,867,519,997	Assessed valuation <sup>(1)</sup>
15%	15%	15%	15%	15%	Debt limit percentage <sup>(2)</sup>
1,609,012,890	1,705,401,944	1,789,636,032	1,868,615,400	1,930,128,000	Debt limit
-	-	-	-	-	Total net debt applicable to limit General obligation bonds <sup>(3)</sup>
<b><u>\$ 1,609,012,890</u></b>	<b><u>\$ 1,705,401,944</u></b>	<b><u>\$ 1,789,636,032</u></b>	<b><u>\$ 1,868,615,400</u></b>	<b><u>\$ 1,930,128,000</u></b>	<b>Legal debt margin</b>
0.0%	0.0%	0.0%	0.0%	0.0%	<b>Total debt applicable to the limit as a percentage of debt limit</b>

**Pledged-Revenue Coverage <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(in dollars)**

Fiscal Year Ended June 30,	Local Agency Revenue Bonds (City Hall Project)					
	Lease Revenue <sup>(2)</sup>	Less Other Debt Payments	Net Lease Revenue	Debt Service		Coverage Ratio <sup>(3)</sup>
				Principal	Interest	
2009	676,450	-	676,450	380,000	296,450	1.00
2010	675,280	-	675,280	400,000	275,280	1.00
2011	672,525	-	672,525	420,000	252,525	1.00
2012	673,521	-	673,521	445,000	228,521	1.00
2013	673,130	-	673,130	470,000	203,130	1.00
2014	671,351	-	671,351	495,000	176,351	1.00
2015	673,046	-	673,046	525,000	148,046	1.00
2016	673,075	-	673,075	555,000	118,076	1.00
2017	671,441	-	671,441	585,000	86,441	1.00
2018	668,141	-	668,141	615,000	53,141	1.00

**Notes:**

<sup>(1)</sup> Details regarding the city's outstanding debt can be found in the notes to the financial statements.

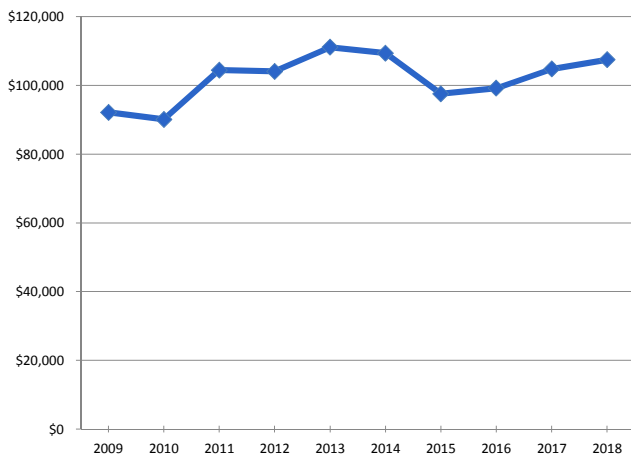
<sup>(2)</sup> Lease revenues consist of payments from the City General Fund and Civic Center Development Impact Fee Fund.

<sup>(3)</sup> Coverage ratio is a measure of the City's ability to meet its obligation. A ratio of greater than or equal to one indicates that sufficient revenue has been generated to satisfy the debt service requirements. The ratio is calculated as total available revenue (net lease revenue) divided by total debt service requirements (principal and interest) .

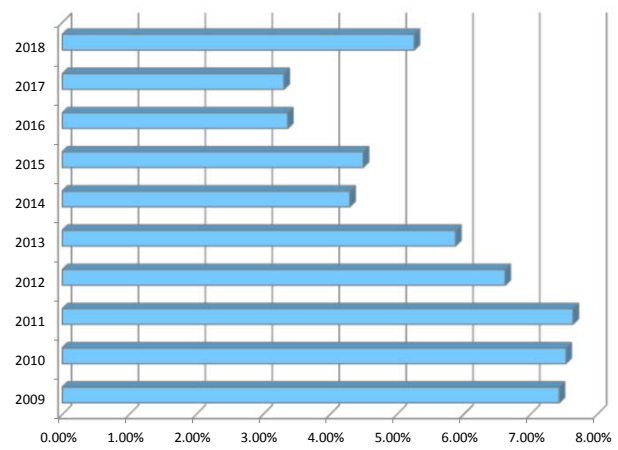
**Demographic and Economic Statistics  
Last Ten Calendar Years**

	Sources	Calendar Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Land (Sq Miles)	(3)	35.31	35.31	35.31	35.16	35.16	35.16	35.71	35.71	35.71	35.71
Population <sup>(1)(4)</sup>	(1)	43,778	44,421	37,836	38,075	38,401	39,032	39,311	39,977	40,677	41,204
Mean Household Income (in dollars) <sup>(5)</sup>	(5)	\$92,156	\$90,124	\$104,410	\$104,045	\$111,077	\$109,365	\$97,526	\$99,157	\$104,749	\$107,447
Number of Dwelling Units <sup>(1)</sup>	(1)	21,355	23,489	23,528	23,528	23,612	23,871	24,150	24,432	24,544	24,643
Persons per Household <sup>(1)</sup>	(1)	2.85	2.87	2.55	2.56	2.58	2.59	2.60	2.62	2.64	2.63
Per Capita Income <sup>(4)</sup>	(4)	\$32,324	\$31,457	\$40,961	\$40,722	\$43,053	\$42,226	\$37,510	\$37,486	\$39,288	\$39,999
Labor Force <sup>(2)</sup>	(2)	14,800	14,600	14,400	15,100	15,300	15,600	17,300	17,800	18,100	19,000
Employment <sup>(2)</sup>	(2)	13,700	13,500	13,300	14,100	14,400	14,900	16,600	17,200	17,500	18,000
Unemployment Rate	(2)	7.43%	7.53%	7.64%	6.62%	5.88%	4.30%	4.50%	3.37%	3.31%	5.26%
Median age <sup>(4)</sup>	(4)	36.4	42.2	41.5	42.8	43.6	44.8	45.1	45.3	45.7	46

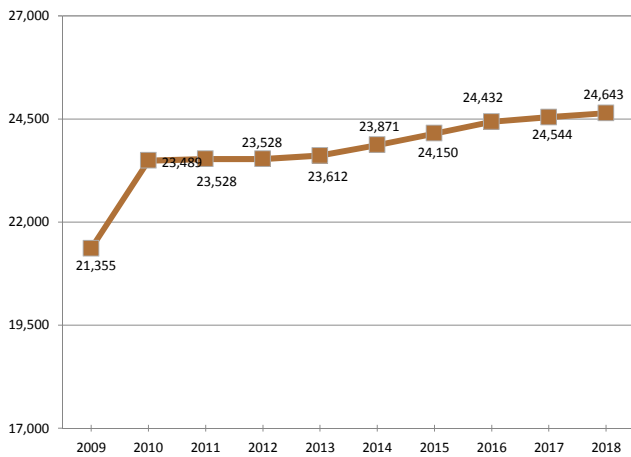
**Mean Household Income**



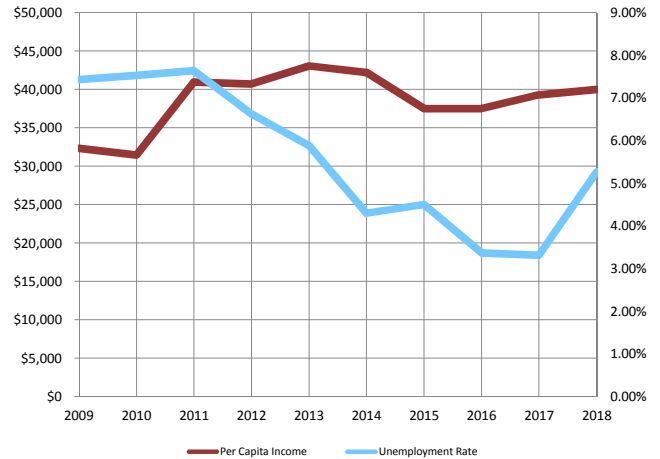
**Unemployment Rate**



**Number of Dwelling Units**



**Per Capita Income and Unemployment**



**Sources:**

- (1) State of California Department of Finance: State of California, Department of Finance, E-1 and E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2017- 2018. Sacramento, California, released May 2018.
- (2) State of California Employment Development Department Website
- (3) Design and Development Department
- (4) HDL, Coren & Cone
- (5) Previously, calculated using "Persons per Household" multiplied by "Per Capita Income". Starting in 2017, data is from the US Census Bureau American Fact Finder

**Principal Employers  
Current Year and Ten Years Ago**

Employer	Activity	Fiscal Year 2017-18			Fiscal Year 2008-09		
		Rank	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	Government	1	2,850	15.00%	1	2,415	17.63%
La Quinta Resort & Club/ PGA West <sup>(1)</sup>	Hotel & Golf Resort	2	1,437	7.56%	2	1,210	8.83%
Wal-Mart Super Center	Retailer	3	379	1.99%	3	463	3.38%
Costco	Retailer	4	222	1.17%	5	190	1.39%
Home Depot	Retailer	5	210	1.11%	7	157	1.15%
Target	Retailer	6	150	0.79%	9	125	0.91%
Lowe's Home Improvement	Retailer	7	140	0.74%	8	140	1.02%
Imperial Irrigation District	Utility Company	8	138	0.73%	6	164	1.20%
Traditions Golf Club	Golf Resort	9	140	0.74%	4	200	1.46%
Rancho La Quinta	Golf Resort	10	130	0.68%	-	-	0.00%
Vons	Grocery Store	11	101	0.53%	-	-	0.00%
In N Out	Fast Food Restaurant	12	81	0.43%	10	120	0.88%
<b>Total employment listed</b>			<b>5,978</b>	<b>31.46%</b>		<b>5,184</b>	<b>37.84%</b>
<b>Total City Employment - July 1</b>			<b>19,000</b>			<b>13,700</b>	

**Notes:**

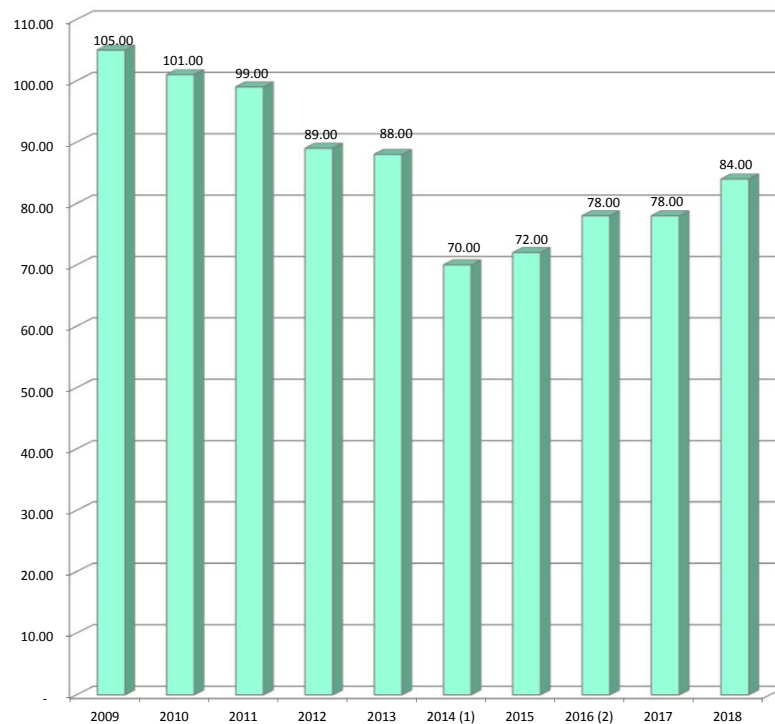
<sup>(1)</sup> La Quinta Resort & Club and PGA West are accounted for as one entity; as such, their employment numbers are reported together as of FY 2015-16.

*Source: City of La Quinta, and infogroup.com*

**Full-time City Employees  
by Function  
Last Ten Fiscal Years**

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014 (1)	2015	2016 (2)	2017	2018
Administration-City Mgr. Office	12.00	13.00	14.00	12.00	11.00	8.00	7.00	4.00	4.00	5.00
City Clerk	6.00	6.00	6.00	5.00	5.00	4.00	4.00	3.00	3.00	5.00
Finance	9.00	9.00	9.00	8.00	8.00	7.00	8.00	7.00	7.00	8.00
Community Services	11.75	10.75	10.75	10.75	10.75	12.00	11.65	-	-	-
Building and Safety	25.00	25.00	24.00	21.00	21.00	-	-	-	-	-
Planning and Development	12.00	10.00	9.00	8.00	9.00	-	-	-	-	-
Community Development	-	-	-	-	-	19.00	20.00	-	-	-
Public Works	29.25	27.25	26.25	24.25	23.25	20.00	21.35	-	-	-
Community Resources <sup>(3)</sup>	-	-	-	-	-	-	-	18.00	18.00	18.00
Design and Development <sup>(4)</sup>	-	-	-	-	-	-	-	27.00	27.00	29.00
Facilities <sup>(5)</sup>	-	-	-	-	-	-	-	19.00	19.00	19.00
<b>Total</b>	<b>105.00</b>	<b>101.00</b>	<b>99.00</b>	<b>89.00</b>	<b>88.00</b>	<b>70.00</b>	<b>72.00</b>	<b>78.00</b>	<b>78.00</b>	<b>84.00</b>

**Total Full-Time City Employees**



**Notes:**

The City of La Quinta contracts with the County of Riverside for Police Services and with the California Department of Forestry through a contract with the County of Riverside for Fire Services. In addition the City-owned Golf Course is operated by Landmark Golf. These positions have not been included as these positions are not City employees.

(1) The City merged the Building and Safety Department with the Planning and Development Department in 2014. The resultant department was referred to as Community Development until 2016, see below.

(2) During FY 2015-'16 the City was subject to a major reorganization in an attempt to improve efficiency and controls that effectively terminated the Community Services, Community Development, and Public Works departments. Following is a brief description of the reorganization for each department:

(3) The Community Resources department has taken over specific roles of the prior Community Development and Community Services departments including, but not limited to human resources, police, fire, library, museum, recreation, marketing, code compliance, animal control, and emergency services.

(4) The Design and Development department has taken over specific roles of the prior Community Development, Public Works, and Finance departments including, but not limited to customer service, business and animal licensing, planning, building, engineering services, and development services.

(5) The Facilities department has taken over specific roles of the prior Community Services and Public Works departments including, but not limited to, parks, streets, buildings, lighting and landscaping.

**Source:** City of La Quinta

**Operating Indicators  
by Function  
Last Ten Fiscal Years**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Finance:</b>										
Number of Animal Licenses Processed <sup>(1)</sup>	1,609	1,768	1,619	1,674	1,505	1,602	1,374	-	-	-
Number of Accounts Payable Checks Processed	4,819	4,393	4,530	3,766	3,576	3,696	3,833	4,153	3,835	3,621
Number of investment purchases	36	32	20	27	30	22	21	22	20	61
Par value of investments	\$ 229,969,000	\$ 267,213,000	\$ 189,810,285	\$ 188,782,874	\$ 164,614,769	\$ 136,323,300	\$ 128,990,447	\$ 137,594,669	\$ 139,613,063	\$ 150,117,079
Number of cleared checks	5,269	4,984	4,912	5,103	3,899	3,922	4,004	4,167	3,932	3,813
Number of outgoing bank wires	91	75	87	63	58	58	54	41	44	64
<b>City Clerk:</b>										
Contracts Processed	-	-	-	319	346	289	238	282	199	243
Documents Notarized	-	-	-	254	301	334	203	157	99	128
Documents Recorded with County	-	-	-	170	125	183	106	112	56	67
Subpoenas and Claims Processed	-	-	-	22	15	21	37	10	8	12
Records Requests Fulfilled and Recorded	-	-	-	518	558	601	580	518	743	572
Documents Scanned to Electronic Archives <sup>(1)</sup>	-	-	-	30,437	28,798	34,671	164,847	233,182	214,384	593,991
<b>Public Works:</b>										
Encroachment permits issued	132	78	104	65	124	109	127	54	123	121
Request for services <sup>(1)</sup>	1931	1306	746	534	740	1,322	1,261	3,440	3,207	2,652
<b>Community Development:</b>										
Number of Active Business Licenses <sup>(1)</sup>	3,523	3,428	3,183	3,310	3,520	3,998	4,452	3,368	3,681	3,707
Permits:										
Single family Detached	129	56	85	39	83	147	176	108	92	142
Single family Attached	6	12	-	11	-	-	4	7	7	6
Residential Pool	207	152	148	127	162	204	255	217	170	211
Wall/Fence	299	178	218	149	167	220	328	257	209	268
Other	908	790	1,033	916	1,042	1,158	1,316	1,230	1,258	1,571
Garage Sale Permits <sup>(1)</sup>	1,535	1,663	1,805	1,430	1,404	1,255	1,290	1,109	1,024	928
Total Permits	3,084	2,851	3,289	2,672	2,858	2,984	3,369	2,928	2,760	3,126
<b>Code Compliance <sup>(1)</sup>:</b>										
Animal Control Incidents Handled <sup>(1)</sup>	3,630	3,984	4,392	4,246	3,206	1,645	1,085	-	-	-
Vehicle abatements	346	214	263	139	99	88	85	255	212	224
Weed abatements	97	125	143	106	1,404	43	45	57	114	128
Nuisance abatements/Property Maintenance	3,130	2,340	2,252	2,433	1,668	730	557	1,037	1,180	1,122
All Other <sup>(2)</sup>	-	-	-	-	-	-	-	1,432	806	888
<b>Community Services:</b>										
Library activities:										
Volume	81,124	89,060	92,484	109,000	63,955	71,874	73,924	182,913	190,747	152,725
Books checked out	215,843	259,711	263,064	275,838	220,690	329,154	263,047	234,340	254,323	250,636
Cards Issued	3,684	3,547	3,822	4,477	2,966	2,035	2,418	2,179	2,248	2,276
Number of School Children Visiting	1,036	772	1,881	962	737	1,539	1,562	2,947	4,680	4,528
Volunteer Hours	2,342	2,723	4,280	2,720	2,226	1,340	1,917	2,169	2,248	2,314
Senior Center/Wellness Center <sup>(1)</sup> :										
Number of visits	15,739	20,326	18,403	16,642	9,350	11,500	23,871	62,820	74,141	87,294
Volunteer Hours	2,583	3,131	3,099	2,690	2,233	2,745	1,279	1,585	1,420	1,333
Recreation activities:										
Participants:										
Leisure Classes	1,140	1,437	1,512	2,016	1,475	1,177	1,322	2,241	2,278	2,168
Special events	11,053	8,795	8,933	36,305	5,970	5,927	6,460	8,185	7,783	10,449
Adult Sports	10,806	13,364	13,092	5,647	3,865	5,878	5,487	7,192	6,695	6,136
<b>Golf course:</b>										
Golf rounds played	40,941	43,779	45,269	46,949	46,352	43,610	41,904	45,104	43,085	42,590
Average Green fee	\$ 72.41	\$ 71.59	\$ 70.70	\$ 70.40	\$ 67.44	\$ 66.83	\$ 69.65	\$ 66.87	\$ 66.80	\$ 71.88
<b>Planning and Development:</b>										
Number of residential units approved	100	255	208	285	228	494	208	40	120	0
Commercial square footage approved	390,097	6,200	27,526	61,662	-	113,149	79,092	13,000	391,914	7,599

**Notes:**<sup>(1)</sup> Data on this table may vary from year to year due to restructuring, personnel, and systems changes that have taken place at the city over the past five years. Examples include animal licensing and control contracted to County of Riverside May 2015, business licenses and garage sale permits transferred to Community Development Department, tracking system for active business licenses updated, vacation rental requirements for permits changed, Codes Department began using GoEnforce tracking software, Public Works Department expanded use of GoRequest system, City Clerk's office began project to archive all old documents and plans electronically, and the Senior Center became the Wellness Center in 2015.

<sup>(2)</sup> "All Other" category includes building codes, business license, commercial, hazardous conditions, health/safety, other, parking, vacation rentals, and zoning. For 2016, data was annualized using the seven months of actual "total closed incidents" provided by GoEnforce.

**Source:** City of La Quinta



**Capital Asset Statistics  
by Function  
Last Ten Fiscal Years**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Works:</b>										
Streets (miles)	127	127	127	128	128	128	128	128	128	128
Bikepaths (miles) <sup>(1)</sup>	22	22	22	22	22	22	34	34	35.5	35.5
Streetlights <sup>(2)</sup>	261	265	265	269	269	277	277	281	372	372
Traffic signals	49	50	50	51	52	54	54	54	54	54
Traffic signs	2,899	2,909	2,919	2,934	2,984	3,018	3,018	3,018	5,758	5,758
Bridges	12	12	12	12	12	13	13	13	13	13
<b>Parks and Recreation:</b>										
Parks	13	13	13	13	13	13	13	13	13	13
Park Acreage	209	218	218	218	218	218	218	218	218	218
Undeveloped Park Acreage	40	40	40	40	40	40	40	40	40	40
Senior/Wellness Center	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
<b>Public Safety:</b>										
Fire Stations	3	3	3	3	3	3	3	3	3	3
<b>Golf Course:</b>										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1

**Notes:**

<sup>(1)</sup> Bike path miles were updated to include both Class I and Class II bicycle paths in 2015.

<sup>(2)</sup> In fiscal year ending 2009 street lights at intersections were included for the first time. Additionally, the decorative streetlights in Old Town were added for the first time in 2017.

**Source:** City of La Quinta

**Schedule of Insurance in Force  
30-Jun-18**

<b>Company Name</b>	<b>Policy Number</b>	<b>Coverage</b>	<b>Limits</b>	<b>Term</b>	<b>Premium</b>
Hartford	72FA0267254-17	Employee Dishonesty, Forgery, Computer Fraud	\$1 Million	12/03/17 - 12/03/18	\$3,366
Hartford	72FA0267254-16	Employee Dishonesty, Forgery, Computer Fraud	\$1 Million	12/03/16 - 12/03/17	\$3,366
CJPIA-Alliant	B128410009W18	All Risk Property Insurance Including Auto Physical Damage, Terrorism, Boiler & Machinery (Excluding Earthquake)	\$25 Million Single Limit per Occurrence subject to other sublimits	07/01/18 - 07/01/19	\$84,997
CJPIA-Alliant	B128410009W17	All Risk Property Insurance Including Auto Physical Damage, Terrorism, Boiler & Machinery (Excluding Earthquake)	\$25 Million Single Limit per Occurrence subject to other sublimits	07/01/17 - 07/01/18	\$86,073
Lloyds	W14D19170401	Earthquake Real & Personal Property Including Contingent Tax Interruption	\$10 Million	02/07/18 to 02/07/19	\$98,700
Lloyds	W14D19170401	Earthquake/Flood Real & Personal Property Including Contingent Tax Interruption	\$10 Million	02/07/17 to 02/07/18	\$80,496
California Joint Powers Insurance Authority	Self-Insured Pool	Comprehensive General Liability	\$50 Million Single Limit per Occurrence	07/01/18 - 07/01/19	\$431,167
California Joint Powers Insurance Authority	Self-Insured Pool	Comprehensive General Liability	\$50 Million Single Limit per Occurrence	07/01/17 - 07/01/18	\$448,537
California Joint Powers Insurance Authority	Self-Insured Pool	Worker's Compensation	\$10 Million	07/01/18 - 07/01/19	\$123,562
California Joint Powers Insurance Authority	Self-Insured Pool	Worker's Compensation	\$10 Million	06/30/17 - 06/30/18	\$220,848

Source: City of La Quinta